



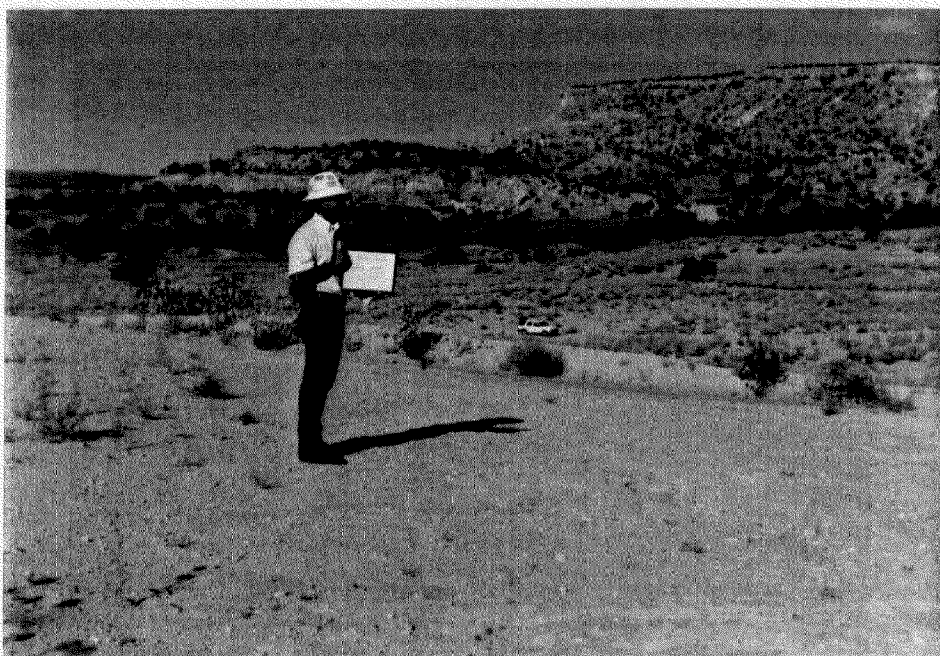
Poison Canyon Mine, Middle Looking North, 9/12/95



Poison Canyon Mine, Middle Looking East, 9/12/95



Poison Canyon Mine, Middle Looking South, 9/12/95



Poison Canyon Mine, Middle Looking West, 9/12/95



Poison Canyon Mine, Reclaimed Declined Shaft, 9/12/95



Poison Canyon Mine, Small Depression, 9/12/95



Poison Canyon Mine, Erosion Feature, 9/12/95

PRIOR RECLAMATION INSPECTION

DATE: 8/31/95 3:30 PM
CONDITIONS: "Old Home Place" -

dune-like appearance overall, reclaimed decline, very windy - seeding is not taking - hardpan, some pipe/bombard waste left for Sammy Marguez, mine waste pile reclaimed in 3 terraces (filled in w/ sand)

SITE: Marguez Mine
OPERATOR: SFPG

PRESENT: _____

[illegible]

c:\priorec.tab

Index of Correspondence

| Date | Addressee | Subject |
|----------|--|--|
| 08/31/94 | John Lingo/From: Tim Leftwich | Requests for Approval of Prior Reclamation. |
| 11/03/94 | Tim Leftwich/From: Holland S. | Prior Reclamation Status, Faith Mine et al. |
| 12/14/94 | Tim Leftwich/From: Holland S. | Evaluation Guidelines for Prior Reclamation Sites. |
| 08/31/94 | Section 25, T.14N,R.10W MARB/From: Homestake-Sapin | Request For Approval of Prior Reclamation |
| 08/31/94 | Section 23, T.14N,R.10W MARB/From: Homestake - Sapin | " " |
| 08/31/94 | Section 15, T.14N,R.10W MARB/From: Homestake - Sapin | " " |
| 08/31/94 | Section 1, T.13N, R.9W MARB/From: Kerr McGee | " " |
| 08/31/94 | Section 13, T.1N, R.6W MARB/From: M.P. Grace | " " |
| 08/31/94 | Section 13, T.14N, R.10W MARB/From: Homestake - Sapin | " " |
| 08/31/94 | Section 29, T.13N, R.9W MARB/From: Ranchers Exploration | " " |
| 08/31/94 | Section 19, T.13N, R.9W MARB/From: Reserve Oil & Minerals | " " |
| 08/31/94 | Section 23, T.13N, R.9W MARB/From: United Nuclear Corp. | " " |
| 08/31/94 | Section 7, T.13N, R.9W MARB/From: Ranchers Exploration | " " |
| 08/31/94 | Section 7, T.13N, R.8W MARB/From: Ranchers Exploration | " " |
| 08/31/94 | Section 21, T.13N, R.9W MARB/From: Ranchers Exploration | " " |
| 08/31/94 | Section 31, T.13N, R.9W MARB/From: United Nuclear | " " |
| 08/31/94 | Section 25, T.13N, R.10W MARB/From: Reserve Oil & Minerals | " " |
| 08/31/94 | Section 19, T.13N, R.10W MARB/From: Todilto Exploration | " " |
| 08/31/94 | Section 19, T.13N, R.9W MARB/From: Ranchers Exploration | " " |
| 08/31/94 | Section 1, T.13N.,R.9W MARB/From: Kerr McGee | " " |
| 08/31/94 | Section 17, T.13N, R.9W MARB/From: United Nuclear | " " |
| 08/31/94 | Section 13, T.1N, R.6W MARB/From: M.P. Grace | " " |
| 08/31/94 | SW/4, Section 13, T.13N, R.11W MARB/From: Todilto Exploration | " " |
| | | |
| | | |
| | | |

MK

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

December 14, 1994

ANITA LOCKWOOD
CABINET SECRETARY

Mr. Tim Leftwich
Santa Fe Pacific Gold Corp.
P. O. Box 218
Albuquerque, New Mexico 87110

RE: Evaluation Guidelines for Prior Reclamation Sites.

Dear Mr. Leftwich:

The Mining and Minerals Division (MMD) will be conducting inspections for the purposes of prior reclamation for the site(s) you have requested release. Based on Section 69-36-5 E. of the New Mexico Mining Act, the MMD has developed inventory of items to determine whether the completed reclamation satisfies the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the applicable regulatory standards.

This checklist is included for your use to determine if your site meets all of the ten criteria. Based on site-specific information, the MMD will be using this checklist to establish criterion based decisions to release the site from further responsibilities under the Act or not.

MMD will begin inspection of prior reclamation sites in early 1995 and will make a determination by September 30, 1995. If you have any questions regarding the checklist or questions regarding the inspection of your reclamation sites, please contact me or Joe DeAgüero at 505\827-5970.

Sincerely,

Holland Shepherd
Bureau Chief
Mine Act Reclamation Bureau
Mining and Minerals Division

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7485

2040 South Pacheco
Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900
Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

**PRIOR RECLAMATION GUIDELINES FOR RELEASE FROM
REQUIREMENTS OF THE NEW MEXICO MINING ACT.**

THE PURPOSE OF THIS CHECKLIST IS TO EQUITABLY CONDUCT EACH INSPECTION OF RECLAIMED AREAS TO DETERMINE WHETHER THE COMPLETED RECLAMATION SATISFIES THE REQUIREMENTS OF THE NEW MEXICO MINING ACT AND THE SUBSTANTIVE REQUIREMENTS FOR RECLAMATION PURSUANT TO THE APPLICABLE REGULATORY STANDARDS. IF THE DIRECTOR DETERMINES THAT THOSE REQUIREMENTS ARE MET, THE OPERATOR OR OWNER SHALL BE RELEASED FROM FURTHER REQUIREMENTS UNDER THE NEW MEXICO MINING ACT.

| YES | NO | |
|-------|-------|--|
| _____ | _____ | 1) Have all disturbed or affected areas of the mining operation been mitigated? |
| _____ | _____ | 2) Has there been topdressing or topsoil replacement? If yes, approximate depth:_____. |
| _____ | _____ | 3) Is the material on the ground surface suitable for the re-establishment of vegetation and the post mining land use? |
| _____ | _____ | 4) Is the reclaimed surface devoid of waste, ore or other mining debris (e.g. equipment & structures) that would hinder revegetation. |
| _____ | _____ | 5) Has the mitigated area been stabilized to effectively control erosion which would either disrupt the post-mining land use or the re-establishment of vegetation? |
| _____ | _____ | 6) Do the reclaimed areas, to the extent practicable, provide stabilization that will minimize future impacts to the environment and protect air and water resources |
| _____ | _____ | 7) Are the reconstructed slopes at lengths and gradients sufficient to allow vegetation establishment without excess erosion? |
| _____ | _____ | 8) Do reconstructed drainages discharge onto undisturbed areas in a manner that will not cause accelerated erosion? |
| _____ | _____ | 9) If rip-rap has been placed on reconstructed drainages, has it been placed correctly and is it of durable material and of suitable size? |
| _____ | _____ | 10) Has the disturbed area been reclaimed to a condition that will allow a self-sustaining ecosystem to establish as defined in Rule 1. |



SANTA FE
PACIFIC
GOLD
CORPORATION

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

November 8, 1994

Mr. Holland Shephard
Chief, Mining Act Reclamation Bureau
2040 Pacheco Drive
Santa Fe, New Mexico 87505



Re: Request for additional information concerning prior reclamation

Dear Mr. Shephard:

I have received your September 19, 1994 letter requesting additional information on the sites potentially eligible for prior reclamation which we brought to your attention in our letter of August 31, 1994. With this letter we attempt to provide some of the information requested as to some of the sites. As in your August 31, 1994 letter, however, Santa Fe Pacific Gold Corporation ("SFPGC") again preserves all of its positions relating to the Act. Also, by providing certain information that is readily available to us and within the scope of your requests, SFPGC would like to preserve the position that the information requested is not "required" by any statutory or regulatory provision.

As you know, although Santa Fe holds interests in the properties it voluntarily identified in the August 31 letter, it did not own, conduct, or otherwise control any of the operations which were undertaken by third party mining companies pursuant to certain leases. As a result, SFPGC typically is not in a position to describe such things as all waste units, impoundments, stockpiles, leach piles, open pits or adits which may previously have been located at the sites. Similarly, SFPGC did not in many instances conduct the reclamation work, and so is not able to precisely describe such things as seed mixes, reclamation design, etc. Although SFPGC has voluntarily undertaken its own reclamation program at certain sites, (even prior to passage of the New Mexico Mining Act) it has done so voluntarily in the sense that it was motivated by its own corporate philosophy toward the environment rather than pursuant to any statutory, regulatory or other legal obligation.

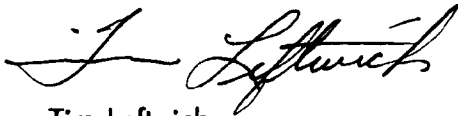
Enclosed is the additional information we can provide, including what our latest records show as the names and addresses of the operators which should be able to provide the bulk of your desired data. We have also provided names and addresses of surface owners, since they are in the best--if not the only--position to know about post-mining land uses.

November 8, 1994

Page 2

I hope this helps the Mining Act Reclamation Bureau. Please give me a call if you or your staff would like to discuss this further.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Tim Leftwich".

Tim Leftwich
Vice President -
Environmental Quality

TL:pt

Enclosure



Gallup Title Company

ABSTRACTS - ESCROWS - TITLE INSURANCE

CHARLES F. HEADEN
PHILIP G. GARCIA

October 13, 1994

Mr. G.R. Wagner
Santa Fe Pacific Gold Corp.
6200 Uptown Blvd., NE, Suite 400
Albuquerque, NM 87110

VIA FAX: (505) 880-5435

Dear George:

Pursuant to your request of October 7, 1994 following are land
ownerships and addresses of owners that you asked that I check on
for you, to wit:

T.13N., R.2W, Section 7: Fernandez Company
5000 San Mateo

San Mateo, NM 87050

T.13N., R.9W, Sections 1,7,17,21,23,29,and 31:

Isabel O. Marquez and
Solomon Marques, trustees
of the Isabel O. Marquez
Trust

P.O. Box 3526

Milan, NM 87021

Section 19:

Isabel O. Marquez
(above address)

T.13N., R.10W, Section 19:

Donna Jean McKinnon &
Frances Laree Fathree
C/O Volton Tietjen
P.O. Box 123

Continental Divide, NM 87312

Section 25:

Berryhill Ranch, Ltd.
7000 W. 66 Ave.
Bluewater, NM 87005

T.13N., R.11W., Section 12(SW1/4):

Elkins Real Estate
P.O. Box 50
Prewitt, NM 84045

Continued...

Continued.....

T.14N., R.10W, Sections 13 & 15:

Jerry & Luann Elkins
1010 W. 66 Ave.
Gallup, NM 87301

Sections 23 & 25:

Homestake Mining Co.
P.O. Box 98
Grants, NM 87020-0011

If you need anything further, please advise.

Very truly yours

Philip P. Garcia
Philip Garcia
ar

Sec. 13, T 1N, R 6W (Socorro Co, NM)

*B.L. Henderson
P.O. Box 286
Magdalena, N.M. 87825*

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

November 3, 1994



ANITA LOCKWOOD
CABINET SECRETARY

Mr. Tim Leftwich
Santa Fe Pacific Gold Corp.
Post Office Box 27019
Albuquerque, NM 87125

Re: Santa Fe Pacific Gold Corporation's Prior Reclamation
Status, Faith Mine et al, McKinley Mine

Dear Mr. Leftwich:

Thank you for your letter dated August 31, 1994, requesting approval for the prior reclamation of Section's 1, 13, 17, 31, 19, 25 and Faith, Isabella, Johnny M, Marquez, SW 1/4 Sec. 13, and Poison Canyon Mine Areas.

Section 5.10 of the New Mexico Mining Commission Rule 94-1, requires that we conduct an inspection of your mine to determine if the prior reclamation "satisfy the requirements of the Act and the substantive requirements for reclamation pursuant to ..." the rules. In this case the Director of the Mining and Minerals Division will make a determination on the adequacy of your reclamation by September 30, 1995.

Your letter and a subsequent letter did include checks totalling \$3,000.00, since the Mining and Minerals Division has interpreted the rules to require \$250.00 for each mine site. The maps submitted identified the general areas where the mines were located. However, the following information is required before the application for prior reclamation status can be considered complete:

1. a map of 1:24000 or larger scale (1:12000) showing the limits of the reclaimed area and the location, and a description, of any waste units, impoundments, stockpiles, leach piles, open pits or adits that are within this area;
2. a discussion of post-mining land use for the site reclaimed;

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2046 South Pacheco
Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Mr. Tim Leftwich
November 3, 1994
Page -2-

3. a detailed description of the reclamation work performed, including types of reclamation conducted, amount of acres revegetated, the seed mix used, the current condition of the revegetation, etc., and how the reclamation project has been designed to achieve a self-sustaining ecosystem; and,
4. if part of the reclamation, a discussion of how the current reclamation of waste units, impoundments, stockpiles, tailings piles open pits or adits, have been designed to ensure compliance with all applicable federal and state standards for air, surface and ground water protection and to eliminate any future hazards to health and public safety.

Please call me at (505)827-5970 if you have any questions concerning the new regulations, the permit process or any other related issues.

Sincerely,



HOLLAND SHEPHERD, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

HS/AJ/fg



**SANTA FE
PACIFIC
GOLD
CORPORATION**

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

A Santa Fe Pacific Company

September 19, 1994

**Mr. John Lingo, Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals and
Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505**

Dear Sir:

Enclosed is Santa Fe Pacific's check in the amount of \$3,000 which should have been enclosed with our letter of August 31, 1994 regarding our request for approval of prior reclamation in connection with the 1993 New Mexico Mining Act.

If you have any questions or need additional information, please contact me.

Very truly yours,



**G. R. Wagner
Manager - Lease Records**

**GRW:bls
Enclosure**

cc: T. J. Leftwich

| INVOICE DATE | INVOICE NUMBER | INVOICE AMOUNT | VOUCHER NUMBER | PAYMENT AMOUNT |
|---|-------------------|-------------------|-------------------|-------------------|
| 09/07/94 | 4721190907 | 3,000.00 | 09-05717 | |
| <i>This check covers prior reclamation fees for the attached 12 mine sites.</i> | | | | |
| TOTALS | | | | 3,000.00 |
| SANTA FE PACIFIC GOLD CORP. | | | VEN#:59566 | DATE:09/16/94 |

MICR#:09191790

SYS#:09037820

SANTA FE PACIFIC GOLD CORP.

THE NORTHERN TRUST COMPANY
CHICAGO, ILLINOIS 2-18
710

Box 27019
Albuquerque, New Mexico 87125-7019
(505) 880-5300

A SANTA FE PACIFIC COMPANY

No. 191790

09/16/94

\$****3,000.00

PAY *** THREE THOUSAND AND 00/100 DOLLARS *******

TO THE
ORDER
OF

NM ENERGY, MIN. & NAT. RES. DE
MINING & MINERALS DIV.
2040 PACHECO STREET
SANTA FE , NM 87505

Robert M. Ortega

⑈ 191790 ⑈ ⑆071000152⑆ 30399708⑈

check # 47 21190907 for \$3,000.00
 covers these mines for prior reclamation. *arg*

REQUESTS FOR PRIOR RECLAMATION

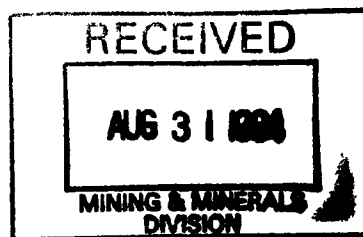
| Rord | Fee Paid By | Pd | Mine Name | Location | | | Present/Former Operator | Mineral Ownership | Map | Required Info |
|---------|-----------------------------|------|---------------|----------|-----|-----|-------------------------|-----------------------------|-----|---------------|
| | | | | Sec | T | R | | | | |
| 8/31/94 | Santa Fe Pac. Gold Corp. | 250 | Unknown | 13 | 1N | 9W | M.P. Gree | Santa Fe Pacific Gold Corp. | | |
| " | Homestake Mng. Co | 250 | Unknown | 25 | 14N | 10W | Homestake-Sagin | " | ✓ | ✓ |
| " | " | 250 | " | 23 | 14N | 10W | " | " | ✓ | ✓ |
| " | " | 250 | " | 15 | 14N | 10W | " | " | ✓ | ✓ |
| " | " | 250 | " | 13 | 14N | 10W | " | " | ✓ | ✓ |
| " | Hecla Mng. Co | 250 | Hape Mine | 19 | 13N | 9W | Ranchers Explor. | " | ✓ | Oct. 15 |
| " | " | 250 | Doris Mine | 21 | 13N | 9W | " | " | ✓ | Oct. 15 |
| " | Santa Fe Pacific Gold Corp. | 250 | Faith Mine | 29 | 13N | 9W | " | " | ✓ | |
| " | " | ✓250 | Isabella | 7 | 13N | 9W | " | " | | |
| " | " | ✓250 | Johnny M | 7 | 13N | 8W | " | " (Hecla reclaims) | | |
| " | " | ✓250 | Unknown | 17 | 13N | 9W | United Nuclear | " | ✓ | |
| " | " | ✓250 | " | 31 | 13N | 9W | " | " | ✓ | |
| " | " | ✓250 | Marquez | 23 | 13N | 9W | " | " | ✓ | |
| " | " | ✓250 | SW 1/4 | 13 | 13N | 11W | Todrito Explor. | " | ✓ | |
| " | " | ✓250 | Unknown | 19 | 13N | 10W | " | " | ✓ | |
| " | " | ✓250 | Paisan Canyon | 19 | 13N | 9W | Reserve Oil & Min. | " | ✓ | |
| " | " | ✓250 | Sec. 25 | 25 | 13N | 10W | " | " | ✓ | |
| " | " | ✓250 | Unknown | 1 | 13N | 9W | Kerr-McGee | " | | |
| 9/1/94 | Quivira Mining Co. | 250 | Sec. 17 | 17 | 14N | 9W | Quivira Mng. Co. | Quivira Mng. Co. | | |
| " | " | " | " | 19 | 14N | 9W | " | " | | |
| " | " | " | " | 22 | 14N | 10W | " | " | | |
| " | " | " | " | 24 | 14N | 11W | " | " | | |
| " | " | " | " | 30 | 14N | 9W | " | " | | |
| " | " | " | " | 30W | 30 | 14N | 9W | " | | |
| " | " | " | " | 33 | 14N | 9W | " | " | | |
| " | " | " | " | 36 | 14N | 9W | " | " | | |
| 8/30/94 | Kerr-McGee Corp. | 250 | Church Rock I | 35 | 17N | | " | " | ✓ | ✓ |
| " | " | " | " | IE | 36 | 17N | " | " | ✓ | ✓ |
| " | " | " | " | II | | | " | " | ✓ | ✓ |

**SANTA FE
PACIFIC
GOLD
CORPORATION**

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

A Santa Fe Pacific Company

**August 31, 1994
HAND DELIVERED**



**Mr. John Lingo, Director
Mining & Minerals Division
Energy, Minerals & Natural
Resources Department
2040 Pacheco Street
Santa Fe, New Mexico 87505**

**Re: Santa Fe Pacific Gold Corporation's Requests for Approval of
Prior Reclamation**

Dear Mr. Lingo:

On behalf of Santa Fe Pacific Gold Corporation, this letter is being hand-delivered along with a series of one-page submittals and accompanying maps identifying certain properties which it believes were previously mined by other companies for recovery of uranium ores. These submissions are made in a spirit of cooperation even though Santa Fe Pacific Gold Corporation believes it is not required to make the submittals or undertake any other action under the New Mexico Mining Act, if that Act is deemed to apply at all to the uranium operations conducted at the site. Further, these submissions are made with the expectation that they may overlap with submissions by companies which conducted or owned the operations causing any disturbances.

For each site, Santa Fe Pacific Gold Corporation would like to request that the Director of the Mining and Minerals Division approve prior reclamation efforts pursuant to the New Mexico Mining Act if the Director believes that the Mining Act may be applicable to the operations previously conducted thereon. Pursuant to our attorney's recent discussions with you, these submissions are made with the express understanding that Santa Fe Pacific Gold Corporation fully preserves and does not waive any of its positions that it has no obligations whatsoever under the Mining Act with respect to these sites including, but not limited to, the following positions:

Mr. John Lingo, Director
August 31, 1994
Page 2

1. That any commodities or other materials produced from the properties or activities thereon constitute commodities, materials or activities regulated by the Nuclear Regulatory Commission such that the Mining Act does not apply;
2. That minerals were not produced from the properties in marketable quantities for a total of two years since January 1, 1970;
3. That as mere owner of mineral interests and lessor under instrument(s) pursuant to which operations owned and conducted by others occurred on the properties, Santa Fe Pacific Gold Corporation was not and is not an operator or owner of the operations with responsibilities, if there be any, under the Mining Act; and
4. That Santa Fe Pacific Gold Corporation has no obligation whatsoever to request approval of prior reclamation or carry out other responsibilities, if there be any, pertaining to the properties in relation to the Mining Act.

Santa Fe Pacific Gold Corporation makes these submissions with the further understanding that neither the submissions themselves, nor anything stated therein, nor the fact of making the submissions shall be advanced in any context, form or respect by the State of New Mexico or any agency or subdivision thereof as evidence or as an admission of any kind on any issue which may exist or hereafter arise in relation to Santa Fe Pacific Gold Corporation or its mineral properties in connection with the Mining Act. The same understanding applies in all respects to this letter.

With the exception of two mines, Santa Fe Pacific Gold Corporation believes these submissions cover all of its New Mexico properties that might conceivably be argued as properties on which "existing mining operations" are situated. The first such exception is the Northeast Church Rock Mine in Section 35, Township 17 North, Range 16 West. The Northeast Church Rock Mine was operated by United Nuclear Corporation under a lease with Santa Fe Pacific Minerals Corporation, now Santa Fe Pacific Gold Corporation. That lease recently terminated after the adoption of the New Mexico Mining Act.

The second uranium mine for which submission is not made with this letter is the Old Church Rock Mine in Section 17, Township 16 North, Range 16 West. Santa Fe Pacific Gold Corporation believes that ongoing mining operations exist or are contemplated at that site by its most current lessee, Hydro Resources, Inc., and is informed that that company is already in contact with MMD

Mr. John Lingo, Director
August 31, 1994
Page 3

concerning any Mining Act responsibilities that may be applicable to the operations.

Santa Fe Pacific Gold Corporation's purpose for voluntarily submitting the enclosed requests for approval of prior reclamation, and for identifying in this letter the two leased uranium mine sites for which no submissions are made, is to cooperate fully and in a spirit of good faith so as to assist the Mining and Minerals Division in its tasks of identifying and narrowing down the potential Mining Act-regulated operations that may require a greater level of regulatory involvement.

If you have any questions concerning this letter, the enclosed submissions or the nonwaiver/preservation of rights language included, please do not hesitate to call.

Very truly yours,


Tim Leftwich for

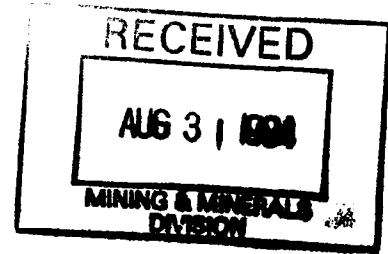
260530

Request For Approval Of Prior Reclamation

Name Of Mine: Marquez Mine

Topographic Location Of Mine: Section 23, T.13N., R.9W.

Operator Name: United Nuclear Corporation



Description Of Site Condition: United Nuclear leased this section from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled in 1987 and the site reclaimed. Areas of surface disturbance were revegetated with native species and topography returned to natural contour to the extent possible. Additional reclamation was conducted in 1994.

Date Of Request: August 31, 1994

Non-waiver/Preservation Of Rights: This request for approval of prior reclamation is made with the express understanding that Santa Fe Pacific Gold Corporation fully preserves and does not waive any of its positions that it has no obligations whatsoever under the Mining Act with respect to these sites including, but not limited to, the following positions:

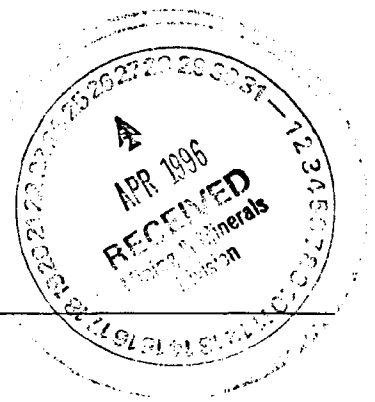
1. That any commodities or other materials produced from the properties or activities thereon constitute commodities, materials or activities regulated by the Nuclear Regulatory Commission such that the Mining Act does not apply;
2. That minerals were not produced from the properties in marketable quantities for a total of two years since January 1, 1970;
3. That as mere owner of mineral interests and lessor under instrument(s) pursuant to which operations owned and conducted by others occurred on the properties, Santa Fe Pacific Gold Corporation was not and is not an operator or owner of the operations with responsibilities, if there be any, under the Mining Act; and
4. That Santa Fe Pacific Gold Corporation has no obligation whatsoever to request approval of prior reclamation or carry out other responsibilities, if there be any, pertaining to the properties in relation to the Mining Act.

Santa Fe Pacific Gold Corporation makes this submission with the further understanding that neither the submission itself, nor anything stated therein, nor the fact of making the submission shall be advanced in any context, form or respect by the State of New Mexico or any agency or subdivision thereof as evidence or as an admission of any kind on any issue which may exist or hereafter arise in relation to Santa Fe Pacific Gold Corporation or its mineral properties in connection with the Mining Act.



SANTA FE
PACIFIC
GOLD
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BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435



April 25, 1996

Mr. Holland Shepherd
Bureau Chief
Mining Act Reclamation Bureau
Mining & Minerals Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Poison Canyon Mine

Dear Mr. Shepherd:

I am in receipt of your letter advising Santa Fe Pacific Gold Corporation that the Poison Canyon Mine is the only site for which we previously sought prior reclamation approval where further work will be necessary pursuant to the New Mexico Mining Act. We hereby respond without waiving any of our previously reserved positions regarding the New Mexico Mining Act in relation to Santa Fe Pacific Gold Corporation and the sites for which we sought prior reclamation approvals.

Your letter asks whether we have a more current address than the Grants, New Mexico address in your records for Reserve Oil and Minerals, the former operator of the site. Our files reflect that the current address of Reserve is as follows:

Suite 380, 20 First Plaza
Albuquerque, New Mexico 87102

1-505/247-2384

Meanwhile, however, it would be helpful in evaluating our intentions concerning the Poison Canyon site if you would provide us with all information you have concerning the site, an assessment of what MMD believes still needs to be done, and your estimation of whether the site might be eligible for a variance or for permitting as a minimal impact site under the Mining Act.

Your letter also indicates that MMD has determined that certain sites which you previously advised were not eligible for a prior reclamation release are not, it turns out, within the definition of existing mining operations under the Act. Because Santa Fe Pacific Gold Corporation was not the operator of those sites, we have not attempted to evaluate production data to confirm your conclusions, which I assume are based on more than just our reservation of the legal position that the sites may

April 25, 1996

Page 2

not have produced in marketable quantities for a total of two years under the pertinent definition. Santa Fe Pacific Gold Corporation contends we do not meet the definition of operator under the Act, therefore we have no obligation to conduct further reclamation of the Poison Canyon site.

We respectfully request a meeting concerning the state of the Poison Canyon site and how this issue might be resolved. Thank you very much.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Tim Leftwich".

Tim Leftwich
Vice President -
Environmental Quality

c: P. M. James
G. R. Wagner
W. Jarke
S. R. Butzier



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-6970

Jennifer A. Salisbury
CABINET SECRETARY

Kathleen A. Garland
DIVISION DIRECTOR

May 13, 1996

Mr. Tim Leftwich
Vice President - Environmental Quality
Santa Fe Pacific Gold Corporation
P.O. Box 27019
Albuquerque, NM 87110

Re: Prior Reclamation, Poison Canyon Mine, Santa Fe Pacific Gold Corporation

Dear Mr. Leftwich:

Thank you for your letter of April 25, 1996. Your cooperation in addressing the Poison Springs prior reclamation question is greatly appreciated.

You mentioned in your recent letter that you had assumed we had dropped the six sites mentioned in our February 13, 1996, from the list of sites requiring reclamation under Mining Act because of the marketable mineral clause found under the definition of "existing mining operation," in the Mining Act. This is correct, we determined that these sites did not meet the definition of an "existing mining operation." We were unable to find any record showing that these operations produced marketable minerals for a total of two years between January 1, 1970 and July 18, 1993.

Regarding the status of the Poison Springs site, this must be resolved through a variance or permit application. Pursuant to the New Mexico Mining Act (NMMA) Rules Subpart 510, Santa Fe Pacific Gold Corporation applied to the Mining and Minerals Division (MMD) for an inspection of prior reclamation of their Poison Canyon Mine. During the inspection, MMD personnel could not determine if Santa Fe Pacific Gold's reclamation was successful because the newly seeded vegetation had not had enough time to become established.

MMD is agreeable to granting a variance from the September 30, 1995 deadline addressed in NMMA Rule Subpart 510.B if a variance request is submitted and the requirements of public participation in NMMA Rules Subpart 9 are completed. If the variance is granted MMD will reinspect the reclamation of the Poison Canyon Mine at a time to be agreed upon by the operator and MMD. If then the Director determines that the reclamation measures at the Poison Canyon Mine are consistent with the requirements of the NMMA and Rules then, pursuant to NMMA Rules Subpart 510.B, the Director will release the owner or operator from further requirements of the Act and Rules.

Thank you for sending us the updated address for Reserve Oil and Minerals Corp. We will again attempt to contact Reserve Oil and Minerals Corp. regarding the Poison Springs site. However, until we can get some type of commitment from Reserve Oil we must continue to consider Santa Fe Pacific Gold responsible for the site.

We would be happy to meet with you concerning the status of the Poison Springs mine. I will have sometime during the afternoon of Mon. 5/20 to meet and the afternoon of Fri. 5/24. I will then be out of the office until June 5, 1996. It is very important we resolve this as soon possible because of the time frames set up in the NMMA Rules.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Shepherd', written over a horizontal line.

Holland Shepherd, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

HWS/RSY

cc: Kathleen Garland, Director, MMD

SANTA FE
PACIFIC
GOLD
CORPORATION

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

November 21, 1995

NOV 29

Ms. Kathleen A. Garland, Director
Mining and Minerals Division
Post Office Box 6429
Santa Fe, New Mexico 87504-6429

Re: September 29, 1995 Letter and Inspection Report on Voluntary
Prior Reclamation Requests of Santa Fe Pacific Gold Corp.

Dear Ms. Garland:

Thank you for your letter dated September 29, 1995 reporting on the results of the prior reclamation inspection requests that Santa Fe Pacific Gold Corporation ("Santa Fe") submitted on August 31, 1994. You will recall that Santa Fe's submissions were voluntary. Santa Fe is not the operator or owner of the operations, despite the various references in the Inspection Report to Santa Fe as the operator, and despite the request for further action in your letter.

Although Santa Fe is not responsible, we nonetheless were surprised and disappointed to learn that only three of the reclaimed sites qualified for release in MMD's estimation. Santa Fe respectfully disagrees with the recommendations of the inspectors and the determination of MMD that the seven sites listed on the second page of your letter do not qualify for release under the prior reclamation provisions of the Mining Act.

The purpose of this letter, however, is not to discuss the specifics of that disagreement.

Rather, my purpose is to notify your office that Santa Fe does not itself intend to take any further steps in connection with obtaining variances or existing mine permits for the sites. Please refer to my August 31, 1994 letter accompanying the prior

reclamation submissions. Santa Fe submitted the applications in a spirit of cooperation to assist MMD with its initial tasks of identifying and narrowing down the potential operations that may need some level of regulatory involvement.

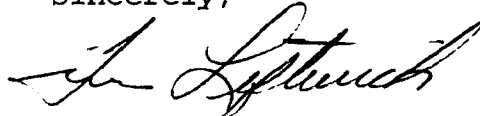
In extensive prior communications with MMD, Santa Fe and others have pointed out the clear statutory and long-established regulatory confirmation that landowners or passive royalty owners who had no operational control or ownership interest in the operations are not the parties with reclamation and permitting responsibilities. Santa Fe also explained its position that uranium operations are excluded from the Act's coverage during the development of regulations. We preserved all of Santa Fe's positions in my August 31, 1994 letter. I assume our analyses need no further explanation here, but if you have any questions or desire anything further from us in this regard, please advise.

Your September 29 letter mentions one reclaimed mining site that your staff was not able to locate on the ground. With respect to that site, I would suggest that you contact the operator, United Nuclear Corporation, to ascertain the exact location and extent of its operations.

I assume that MMD will promptly notify the responsible operators of the opportunity to obtain a variance and the possibility that a permit will be required, as outlined in your September 29 letter. Santa Fe notified MMD of who those operators are, and I note that they are referred to in the Inspection Report. Santa Fe is also willing to share any information we may have that would assist MMD with locating the operators, to the extent that they may still exist.

Please contact Paul Eby or Denise Gallegos of our office with any questions relating to locating an operator. Of course, if I can answer any questions, please call.

Sincerely,



Tim Leftwich
Vice President - Environmental Quality

cc: Paul Eby
Denise Gallegos

MK
DOG MINE
FOUR CORNERS EXPLORATION COMPANY

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



November 3, 1994



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

Mr. Irving Rapaport
Four Corners Exploration Co.
P.O. Box 116
Grants, New Mexico 87020

RE: THE DOG MINE SITE ASSESSMENT OVERDUE LETTER

McKinley County

Dear Mr. Rapaport:

Thank you for your letter dated September 22, 1994, in which you responded to the status of the Dog Mine. Since the status of the site is unclear, the Mining and Minerals Division would like to schedule a site visit sometime in the near future, if possible, to assess the situation. We will be contacting you within the next two to three weeks to set up an appointment.

Thank you for your prompt attention to this very important issue. If you have any questions, please contact Fernando Martinez or me at 505-827-5970.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Shepherd".

Holland Shepherd, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division,

VILLAGRA BUILDING - 408 Gallisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

| | |
|---------|------------|
| UTAH | COLORADO |
| ARIZONA | NEW MEXICO |

Four Corners Exploration Company

P.O. BOX 116

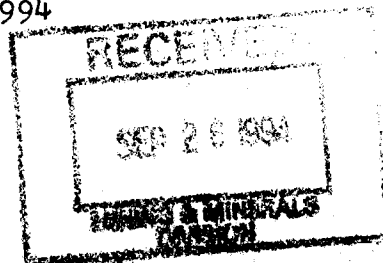
(505)287-4722

GRANTS, NEW MEXICO 87020

IRVING RAPAPORT

September 22, 1994

Mr. Holland Shephard, Bureau Chief
Mining Act Reclamation Bureau
Energy, Minerals and Natural Resources Management
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Dog Mine Status

Dear Mr. Holland:

In response to your letter of September 9, 1994, my records of production from the Dog Mine are long gone. The property was returned to public domain years ago and I can only rely on my recollections.

It is probable, as your records indicate, that we shipped ore from the Dog Mine thru 1972. Our amended contract with United Nuclear required that we stretch out shipments over a longer period of time. We had perhaps a 50,000 ton stockpile of good grade ore when active mining ceased and it was economically adviseable to string out delivery over at least two years.

I also recall that we continued surface exploratory drilling and underground long-hole drilling for a considerable time in an unsuccessful attempt to find additional ore. I have no way of determining if the last pound of ore was mined in 1968, 1969 or 1970.

In any case, I was on the property recently for the first time in about twenty years and the only hazard I could see was some erosion of the seal that had been placed at the portal of the shaft. The shaft was sunk at a 20° decline so the hazard is minor compared with that of a vertical shaft.

I would like to cooperate in the rectification of that hazard even though I believe active mining ceased before 1970.

Yours truly,


Irving Rapaport

| | |
|---------|------------|
| UTAH | COLORADO |
| ARIZONA | NEW MEXICO |

Four Corners Exploration Company

P.O. BOX 116

(505)287-4722

GRANTS, NEW MEXICO 87020

IRVING RAPAPORT

6/15/94

September 9, 1994

Mr. John Lingo, Acting Director
Mining & Milling Division
Energy, Minerals & Natural Resources Dept.
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Site Assessment
Dog Mine
4 Corners Exploration Co.

Dear Mr. Lingo:

In reply to your letter of 8/31/94 the following are my recollections of the operation of the Dog Mine in Section 20, T13N, R9W, McKinley County, N.M..

The mine was started in 1956 and was economically exhausted in the late 60's.

Some exploration was pursued subsequently without success.

Sometime in the 60's our contract for ore sales to United Nuclear was amended to restrict the amount of ore we could ship annually in return for a premium price. Mining continued at a rate that allowed an optimum cost per ton and excess ore was stockpiled. As a consequence, shipments from stockpile continued for several years.

When the last ore was shipped from stockpile, the property was reclaimed under the supervision and to the specifications of the State Mine Inspector, Joe Longacre. The large amount of high grade ore enabled us to blend in and ship material with only minute amounts of U₃O₈. The pads were scraped clean and the mine workings were sealed. Incidentally, the surface holder, Sonny Marquez, informed me recently that he is satisfied with reclamation. The claims were returned to public domain many years ago.

Four Corners continued contract drilling for water ect. for a number of years. I am now retired except for a rare consulting job and geological examinations for my own account.

I remain ready to cooperate with your department as best I can. After first notice I called Bill Sandifer and asked him what procedure to follow. He told me that regulations were still being formulated and to do nothing until contacted.

Yours truly,


Irving Rapaport

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

**Four Corners Exploration Co.
Dog Mine
PO Box 116
Grants, NM 87020**

5. Signature (Addressee)

6. Signature (Agent)

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number

Z 062 024 463

4b. Service Type

☐ Registered

☐ Insured

☒ Certified

☐ COD

☐ Express Mail

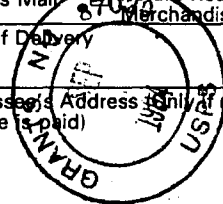
☐ Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT



MK
MARQUEZ MINE & MILL
MARQUEZ DEVELOPMENT CORP.



GARY E. JOHNSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT
Harold Runnels Building
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, New Mexico 87502
(505) 827-0187

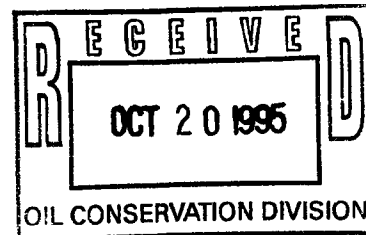
MARK E. WEIDLER
SECRETARY

EDGAR T. THORNTON, III
DEPUTY SECRETARY

Certified Mail - Return Receipt Requested

October 3, 1995

Mr. K.E. McCorkle
Marquez Development Corporation
P.O. Box 13958
Albuquerque, New Mexico 87192



RE: Reconnaissance Inspection, NPDES Permit #NM0028215

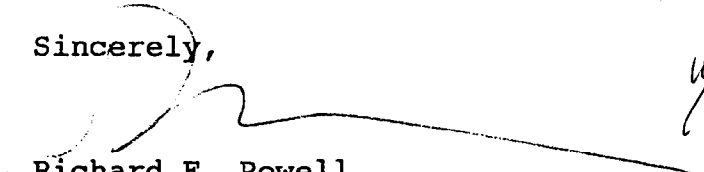
Dear Mr. McCorkle:

Enclosed, please find a copy of the Reconnaissance Inspection that I conducted at your facility on September 7, 1995. This inspection report will be sent to the U.S. Environmental Protection Agency (USEPA) in Dallas, for their review. These inspections are used to determine compliance with the National Pollutant Discharge Elimination System (NPDES) permit issued in accordance with the federal Clean Water Act.

The problems noted during the inspection are discussed in the Further Explanations section of the inspection report. You are encouraged to review the inspection report, correct any problems noted during the inspection, and to modify your operational and/or administrative procedures as appropriate.

My thanks to for your help and cooperation during this inspection. If you have any questions, please feel free to contact me at the above address or by telephone at (505) 827-2798.

Sincerely,


Richard E. Powell
Environmental Scientist
Point Source Regulation Section

xc: USEPA, Dallas (2 copies)
Cecilia Kernodle, USEPA (6EN-WT)
Taylor Sharpe, USEPA (6EN-WT)
NMED, District I, Albuquerque
NMED, Grants Field Office
MMD, EMNRD

10/26 Alan
Please check to see if these people are on any of our lists a statute.
Thy #



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Washington, D.C. 20460

NPDES Compliance Inspection Report

Form Approved
OMB No. 2040-0003
Approval Expires 7-31-85

Section A: National Data System Coding

| | | | | | |
|---|-------|----------------------------|-------------|-----------|----------|
| Transaction Code | NPDES | yr/mo/day | Insoc. Type | Inspector | Fac Type |
| 1 N 2 5 3 N M 0 0 2 8 2 1 5 11 12 9 5 0 9 0 7 17 18 R 19 S 20 2 | | | | | |
| Remarks | | | | | |
| U R A N I U M M I N E & M I L L | | | | | |
| Reserved | | Facility Evaluation Rating | BI | QA | Reserved |
| 67 | | 70 3 | 71 N | 72 N | 80 |

Section B: Facility Data

| | | |
|---|--|---|
| Name and Location of Facility Inspected Marquez development Corporation, near Marquez, New Mexico Directions - see attached | Entry Time 10:55 <input checked="" type="checkbox"/> AM <input type="checkbox"/> PM Exit Time/Date 1305 hours 9-7-95 | Permit Effective Date 10-15-93 Permit Expiration Date 10-14-98 |
| Name(s) of On-Site Representative(s) Mr. K. E. McCorkle* | Title(s) Mine Manager | Phone No(s) (505)247-9008 |
| Name, Address of Responsible Official Mr. K. E. McCorkle Marquez Development Corporation P.O. Box 13958 Albuquerque, NM 87192 | Title Mine Manager Phone No. (505) 274-9008 | Contacted <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

Section C: Areas Evaluated During Inspection

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

| | | | | | | |
|------------------------|---|---------------------------|---|-------------------------|---|---------------------------|
| U Permit | N | Flow Measurement | N | Pretreatment | N | Operation and Maintenance |
| N Records/Reports | N | Laboratory | N | Compliance Schedule | N | Sludge Disposal |
| N Facility Site Review | M | Effluent/Receiving Waters | N | Self-Monitoring Program | U | Other: Storm Water |

Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

1. Although this facility has an individual NPDES permit, there are areas where there may be significant materials exposed to storm water. Discharges from these areas may be eligible for coverage under the NPDES baseline general storm water permit.
2. No BMP's has been installed to prevent or reduce pollutants in storm water discharges.

| | | |
|--|--|------------------------|
| Names and Signatures of Inspector(s) Richard E. Powell | Agency/Office/Telephone NMED/SMQB (505) 827-2798 | Date 10-4-95 |
| Signature Of Reviewer | Agency/Office | Date |

Regulatory Office Use Only

| | | |
|--------------|------|--|
| Action Taken | Date | Compliance Status <input type="checkbox"/> Noncompliance <input type="checkbox"/> Compliance |
|--------------|------|--|

**NPDES Reconnaissance Inspection
Marquez Development Corporation
Further Explanations**

Introduction

On September 7, 1995, a Reconnaissance Inspection was conducted at the Marquez Development Mine & Mill site located near Marquez, New Mexico by Richard E. Powell of the State of New Mexico Environment Department (NMED). Marquez Development is classified as a major discharger under the federal Clean Water Act, Section 402 National Pollutant Discharge Elimination System (NPDES) permit program and is assigned permit #NM0028215. Discharges from this facility are to an unnamed tributary to Canon Seco; thence to Salado Creek; thence to the Rio Puerco (East); thence to the Rio Grande in Segment 2105 of the Rio Grande Basin.

This report is based on review of files maintained by both the permittee and NMED, on-site observation by NMED personnel and verbal information provided by the permittee's representative. An entrance interview was conducted with Mr. K.E. McCorkle, Mine Manager at the mine office at approximately 1055 hours on September 7, 1995. The inspector made introductions, presented his credentials and discussed the purpose of the inspection.

Storm Water Status

This currently inactive, underground uranium mine and mill site does not discharge process or mine contacted storm water through the single permitted outfall (001) authorized by permit #NM0028215. However, storm water runoff from at least two areas where there may be significant materials exposed to storm water, one a lay down yard and storage area, the other an area around various operations buildings and a tank yard, are allowed to discharge offsite, uncontrolled, through two distinct drainages.

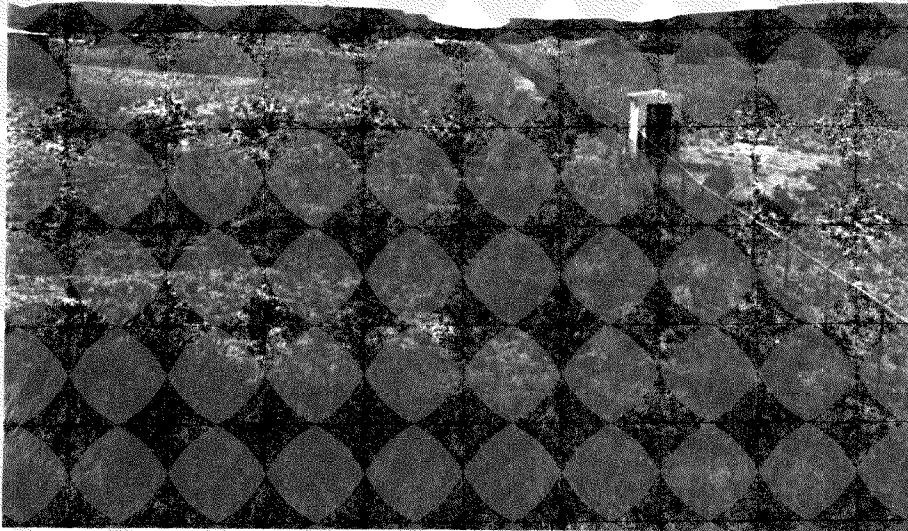
During the course of this inspection, it was ascertained (by verbal communication with Mr. McCorkle) that a Notice of Intent (NOI) to be covered under the NPDES baseline general permit (or other storm water permit coverage) has not been filed, nor has a Storm Water Pollution Prevention Plan (SWPPP) been prepared for the areas at this facility eligible for coverage under the baseline general storm water permit. No storm water runoff control practices have been implemented to control and reduce the pollutants in storm water discharges from this industrial site. Mr. McCorkle was briefly informed of the requirements under the NPDES storm water program and further informed that to attain compliance with this program that a SWPPP needs to be prepared, a NOI needs to be filed (a copy of the general permit and NOI form [published in the Federal Register/Vol. 57, No. 175/Wednesday, September 9, 1992]

were mailed to Mr. McCorkle on September 9, 1995) and that appropriate storm water runoff controls (per the SWPPP) need to be installed. A brief exit interview to discuss the findings of this inspection was conducted at approximately 1245 hours on September 7, 1995 with Mr. McCorkle, at the mine office.

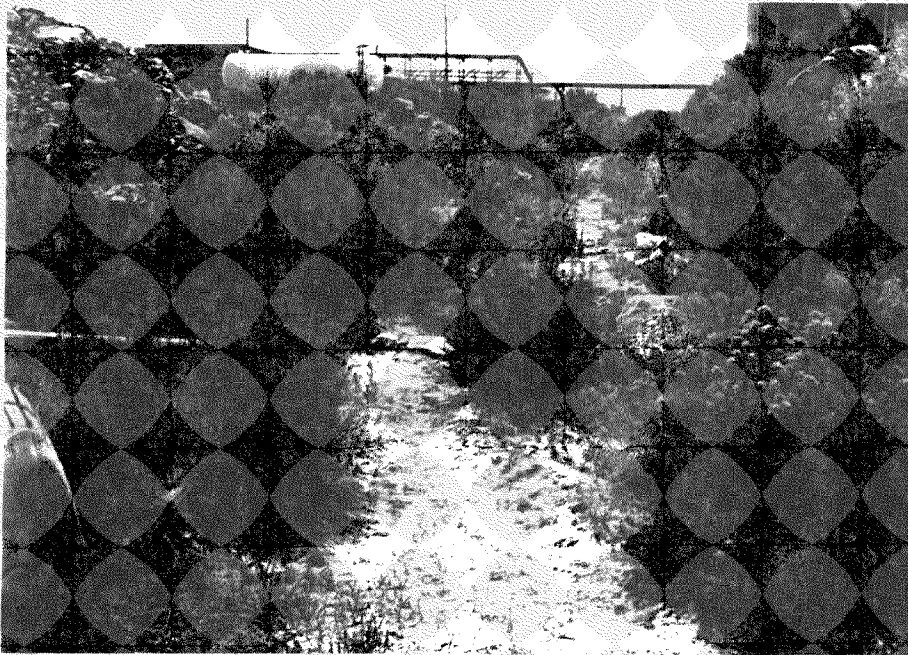
Directions

From Albuquerque - I40 West to exit 114 (NM RTE. 124), go west to SR 279 North, take 279N approximately 13.3 miles to the south edge of Bibo, Cibola County Rte. 1 turns right (east) across from a white house on the left (west) side of SR 279, take Cibola County 1 approximately 17.6 miles to the intersection just above the Village of Marquez, turn right to mill (gray/brown building) site at the top of the hill

Marquez Development Corporation
Reconnaissance Inspection, September 7, 1995
Photographs by Rich Powell, NMED



Storm water runoff from the lay down yard and storage area in the background, discharges offsite, uncontrolled, through the drainage in the lower right.



Storm water runoff from a building site and tank yard in the background, discharges offsite, uncontrolled, through this drainage (center - photo from downstream).

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

10/18/94

K.E. McCorkle, Operations Manager
Marquez Development Corporation
P.O. Box 13958
Albuquerque, New Mexico 87192

**RE: STATUS OF THE MARQUEZ MINE AND MILL WITH REGARDS TO THE NEW
MEXICO MINING ACT**

Dear Mr. McCorkle:

Thank you for your submittal dated September 15, 1994. The Mining and Minerals Division has completed its review of the information submitted and has determined that the Marquez Mine and Mill does not fall under the requirements of the New Mexico Mining Act, because it does not meet the definitions of either an "existing mining operation" or that of a "new mining operation" as stated in Rule 1 of the New Mexico Mining Act Rules. Therefore, no further action is required of the Marquez Development Corporation with regards to the New Mexico Mining Act and The Marquez Mine and Mill.

Please note that our records have been changed to reflect the current status of the Marquez Mine and Mill.

Thank you for your prompt attention to this important issue. If you have any questions or require further information, please contact the Mining Act Reclamation Bureau at (505) 827-5970.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Shepherd".

Holland Shepherd, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900
Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

MARQUEZ DEVELOPMENT CORPORATION

NEW YORK, U.S.A. • NEW MEXICO, U.S.A.

September 15, 1994

CERTIFIED P 369 713 532

Mr. John Lingo
Acting Director-Mining and Minerals Division
State of New Mexico
Energy, Minerals and Natural Resources Dept.
2040 South Pacheco
Santa Fe, New Mexico 87505

SEP 26

Dear Mr. Lingo:

Pursuant to our telephone conversation of September 6, 1994 and a subsequent telephone conversation with Mr. Fernando Martinez of your department on September 7, 1994 in which the filing of a site assessment for the Marquez mine and mill was discussed, I have obtained and reviewed the New Mexico Mining Act Rules.

After a thorough review of the rules, it is the opinion of Marquez Development Corporation [MDC] that the Marquez mine and mill do not fall under the requirements of the New Mexico Mining Act [refer to exhibits I and II, attached, for mine and mill identification and description].

MDC bases its opinion on the fact that the Marquez mine and mill is neither an "existing mining operation" nor a "new mining operation" as it does not conform to the criteria for either in accordance with the definitions as stipulated in Rule 1, pages 2 and 4.

The Marquez mine was never completed. Shaft sinking operations were suspended in December 1980, and the shaft was flooded. The shaft is approximately 1740 feet deep. The shaft had to attain a depth of 1870 feet before intersecting the ore zone. No ore was mined nor removed from the Marquez mine. The Marquez mine never achieved production. The status of the Marquez mine has not changed since December 1980. The shaft is still flooded and only preventive maintenance work is conducted at the mine site.

The Marquez mill is approximately 95% complete. The mill was never commissioned. No ore was ever received at the mill site nor processed through the mill. No yellow cake was ever produced by the Marquez mill.

P.O. Box 13958 • Albuquerque, New Mexico 87192
TELEPHONE: [505] 247-9008

On May 9, 1988, a request to terminate the radioactive material license for the Marquez mill was submitted to the Nuclear Regulatory Commission [NRC]. On September 7, 1988, this request was granted without prejudice toward a re-application to the NRC at some future date. The NRC confirmed that "the facility has not been completed nor used to process any source material; that the licensee does not intend to complete or to operate the facility in the near future; there is no need to continue the license. There are no outstanding license requirements to be resolved" [refer to exhibit III, attached].

MDC has no plans to either complete the mine or the mill nor to operate either facility. The mine and mill have been for sale since March 1992.

Although a consummated sale has not yet been effectuated, several interested parties have submitted offers which are presently being reviewed by MDC. To date, offers range from purchasing the facilities "as-is, where-is" to removing the equipment to another location.

Should the latter be the case, MDC fully intends to comply with all State and Federal rules and regulations pertaining to the reclamation and remediation of the mine and mill sites.

It should also be noted that MDC files the following annual reports with the Mining and Minerals Division:

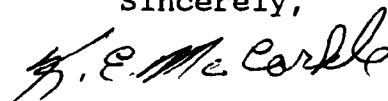
- Mine/Mill/Smelter Registration--Form 1 [exhibit IV, attached]
- Annual Report of Uranium Milling Operations--Form 10 [exhibit V, attached]
- Annual Report of Uranium Mining Operations--Form II [exhibit VI, attached]

A review of these past annual reports will confirm that the status of the Marquez mine and mill has not changed since December 1980.

In view of the information provided, Marquez Development Corporation would like to formally request that the Mining and Minerals Division grant MDC an exclusion from the site assessment and related permits as required by the New Mexico Mining Act as MDC does not fall under the requirements of the Act.

Your cooperation in this matter will be greatly appreciated.

Sincerely,



K.E. McCorkle
Operations Manager

Attachments

Marquez Mine

Owner/Operator: Marquez Development Corporation
Company Address: PO Box 13958
Albuquerque, New Mexico 87192
Company Telephone: 505-247-9008
Person in Charge: K.E. McCorkle
Title: Operations Manager
Mine Location: Marquez, New Mexico
County: McKinley
Sec: 36
Township: 13N
Range: 5W
Latitude N: 35° 20' N
Longitude W: 107° 18' W
Status: shaft flooded; never produced ore;
preventive maintenance work only, conducted
at site

Marquez Mill

Owner/Operator: Marquez Development Corporation
Company Address: PO Box 13958
Albuquerque, New Mexico 87192
Company Telephone: 505-247-9008
Person in Charge: K.E. McCorkle
Title: Operations Manager
Mill Location: Marquez, New Mexico
County: Sandoval
Sec: 30,31
Township: 13N
Range: 4W
Latitude N: 35° 20' N
Longitude W: 107° 18' W
Status: mill never completed; never commissioned;
never received nor processed ore; preventive
maintenance work only, conducted at the
facility

NOTE: The Marquez mine and mill facilities were formerly owned and operated by Bokum Resources Corporation. Marquez Development Corporation took sole possession and ownership on November 18, 1991 [refer to exhibit II, attached].



EXHIBIT II

CHANGE OF OWNERSHIP OR OPERATOR *

I, K.E. McCORKLE of POKUM RESOURCES CORP. (Company) do hereby acknowledge the transfer for the purpose of ownership and/or operation of the following mine, mill, or smelter to HARQUEZ DEVELOPMENT CORP. (company), whose principal place of business is P.O. BOX 13958 ALBUQUERQUE, N.M. 87192

Mine, Mill or Smelter Name: HARQUEZ MINE & MILL MSHA Number: 2901597
Location: County MC KINLEY 1/4-1/4 - Sec. 36 Township 13N Range 5W
Directions to Location if Unsurveyed: N/A

I hereby swear or affirm that the information herein provided is true, complete and correct.

K.E. McCorkle

Signature

Title: MINE - MILL MANAGER

POKUM RESOURCES CORP.

Address: P.O. BOX 13958, ALBUQUERQUE
N.M. 87192

Date: 11-18-91

I, K.E. McCORKLE of HARQUEZ DEVELOPMENT CORP. (Company) have read the foregoing statement and accept such transfer, also the responsibility of ownership and/or operation of said mine, mill or smelter.

I hereby swear or affirm that the information herein provided is true, complete and correct.

K.E. McCorkle

Signature

Title: FACILITY & SITE OPERATIONS MANAGER
HARQUEZ DEVELOPMENT CORP.

Address: P.O. BOX 13958 ALBUQUERQUE, N.M.
87192

Date: 11-19-91

* NOTE: A CHANGE IN OWNERSHIP AND COMPANY NAME ONLY. NO CHANGES IN THE STATUS OF EITHER THE MINE OR MILL SITES OR FACILITIES. SITE AND FACILITY PERSONNEL ALSO REMAIN UNCHANGED.



EXHIBIT II

DO NOT WRITE IN THIS SPACE

CHANGE OF REGISTRATION

Each mine, mill and smelter operator in New Mexico shall notify the Mining and Minerals Division in writing prior to any suspension of operations, reactivation of operations, and any changes to the original information contained in Form 1, Mine/Mill/Smelter Registration. In the event of a change of ownership or operator, complete the reverse side of this form in addition to the information requested below.

Name of Operator: MARQUEZ DEVELOPMENT CORP.
Address: P.O. BOX 13958 ALBUQUERQUE, N.M. 87192
Mine Name: MARQUEZ MINE & MARQUEZ MILL MSHA Number: 2901597
Location: County MC KINLEY 1/4-1/4 - Sec. 36 Township 13N Range 5W
Directions to Location if Unsurveyed: N/A
Name of Person in Charge: K.E. MC CORKLE
Title: FACILITY & SITE OPERATIONS MANAGER Telephone: 505-247-9008
Address: MARQUEZ DEVELOPMENT CORP.
P.O. BOX 13958 ALBUQUERQUE, N.M. 87192

Please describe any changes below:

A CHANGE IN OWNERSHIP AND COMPANY NAME ONLY.
NO CHANGES IN THE STATUS OF EITHER THE MINE
OR MILL SITES OR FACILITIES, SITE AND FACILITY
PERSONNEL ALSO REMAIN UNCHANGED.

Signed by: K.E. McCorkle
Title: FACILITY & SITE OPERATIONS MANAGER
Address: P.O. BOX 13958 ALBUQUERQUE, N.M.

Date: 2-7-92
Telephone: 505-247-9008

Q7142-

EXHIBIT III



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
URANIUM RECOVERY FIELD OFFICE
BOX 25325
DENVER, COLORADO 80225

SEP 7 1988

URFO:HDR
Docket No. 40-8906
License No. SUA-1474
04008906010E

Bokum Resources Corporation
ATTN: Kenneth McCorkle, Mine
and Mill Manager
P.O. Box 13958
Albuquerque, New Mexico 87192

Gentlemen:

The NRC has reviewed your May 9, 1988 request for license termination and agrees to do so without prejudice toward a re-application to the Commission at some future date. A large portion of the information submitted to the State of New Mexico EID in support of the original application will be useful if you should decide to re-apply to the NRC for a new operating license.

Of the seven categories of information listed in your letter, the environmental impact study and modification of the tailings disposal plan to conform to current regulations (10 CFR Part 40, Appendix A) would seem to require the major revision effort. Programs, plans and procedures for health and safety, radiation safety, decommissioning and reclamation developed for the original New Mexico application may serve as the basis for application for a new source material uranium recovery license.


We look forward to discussing a new application for the Bokum facility if market conditions warrant the completion and operation of the mill.

The staff of the NRC's Uranium Recovery Field Office finds that; with the request by the licensee to terminate the existing license originally issued by the State of New Mexico; the fact that a June 28, 1988 termination inspection (copy enclosed) confirmed that the facility has not been completed nor used to process source material; that authorization to renew the current license or to operate would require extensive NRC review nearly equivalent to a new application; and that the licensee does not intend to complete or operate the facility in the near future, there is no need to continue the current license. There are no outstanding license requirements to be resolved.

2 SEP 7 1988

Therefore, pursuant to Title 10, Code of Federal Regulations, Part 40, the NRC hereby terminates Source Material License SUA-1474, effective immediately.

FOR THE NUCLEAR REGULATORY COMMISSION


R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

Enclosure: As stated

Case Closed: 04008906010E



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
URANIUM RECOVERY FIELD OFFICE
BOX 25325
DENVER, COLORADO 80225

SEP 7 1988

URFO:HDR
Docket No. 40-8906
License No. SUA-1474

Bokum Resources Corporation
ATTN: Kenneth McCorkle, Mine
and Mill Manager
P.O. Box 13958
Albuquerque, New Mexico 87192

Gentlemen:

This refers to the special announced termination inspection conducted by Messrs. Howard D. Rose and Scott R. Grace of this office on June 28, 1988, of the activities authorized by NRC Source Material License SUA-1474 at Bokum Resources' Marquez Uranium Mill, Sandoval County, New Mexico, and to the discussion of our findings held with the members of your staff by the inspectors at the conclusion of the inspection. The enclosed NRC Inspection Report 40-8906/88-001 documents this inspection.

The inspection was an examination of the activities authorized under the license issued by the State of New Mexico in January of 1980, as assumed by the NRC on June 1, 1986 as they relate to the request for termination in the May 9, 1988 letter from R. O. Bokum, II to Dr. Harry J. Pettengill. The inspection consisted of a tour of the site and observations by the inspectors regarding its adequacy for termination.

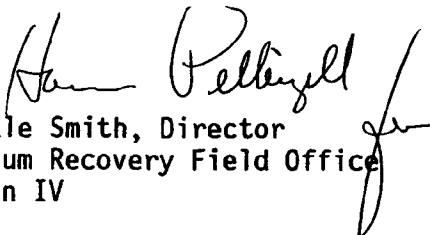
No apparent violations or deviations were identified by the inspectors during the inspection.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in NRC's Public Document Room.

2 SEP 7 1988

Should you have any questions concerning this letter, we will be pleased to discuss them with you.

Sincerely,


R. Dale Smith, Director
Uranium Recovery Field Office
Region IV

Enclosure: Appendix A - NRC Inspection Report No. 40-8906/88-001

cc: Richard D. Bokum II, President
1111 Kane Concourse
Suite 517
Bar Harbor Island
Miami Beach, FL 33154

SEP 7 1988

APPENDIX A

U.S. NUCLEAR REGULATORY COMMISSION

REGION IV

URANIUM RECOVERY FIELD OFFICE

NRC Inspection Report: 40-8906/88-001
Docket: 40-8906

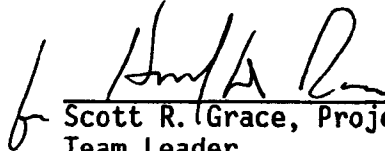
License: SUA-1474

Licensee: Bokum Resources Corporation
P.O. Box 13958
Albuquerque, New Mexico 87192

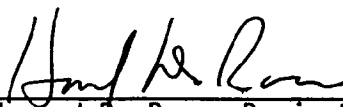
Facility: Bokum Resources Corporation, Marquez Uranium Mill

Inspection at: Sandoval County, New Mexico

Inspection Conducted: June 28, 1988

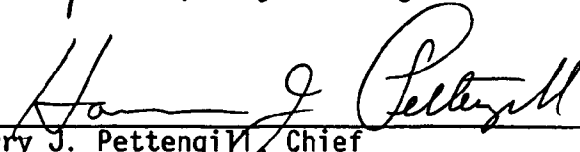
Inspectors: 
Scott R. Grace, Project Manager
Team Leader

9/7/88
Date


Howard D. Rose, Project Manager

9/7/88
Date

Approved:


Harry J. Pettengill, Chief
Licensing Branch 2
Uranium Recovery Field Office, Region IV

Sept 7, 1988
Date

Inspection Summary

Inspection conducted on June 28, 1988 (Report 40-8906/88-001)

Areas Inspected: Special announced termination inspection of the Bokum Resources' Marquez Uranium Mill, Sandoval County, New Mexico. The inspection consisted of a tour of the milling facilities and inspector observations.

2 SEP 7 1988

Results: Within the scope of the termination inspection, there were no identified violations or weaknesses noted by the inspectors, and they confirmed that no source or byproduct material was located onsite and the site was adequately prepared for license termination.

DETAILS1. Introduction

The U.S. Nuclear Regulatory Commission reasserted authority to regulate uranium recovery in the State of New Mexico on June 1, 1986. The reassertion of authority was accomplished by the publication of a general order by the Commission in the Federal Register (51 FR 19432). As an initial step in the transfer of regulatory authority, inspection/appraisals were conducted by NRC staff to familiarize themselves with the site and facilities and the licensee management personnel and policies, including those activities not included as an obligation of the existing license. A prior inspection conducted on February 12, 1987, at the Bokum Resources Corporation, Marquez Uranium Mill, was a continuation of the program. At that time, it was noted that construction on the mill and tailings impoundment was never completed, and the mill itself never operated nor accepted uranium bearing ore for processing.

Persons contacted during the termination inspection were:

*Kenneth McCorkle, Mine and Mill Manager

*Denotes presence at the site exit interview.

2. Management Organization

The mill site is manned around the clock by Wachenhut Security personnel and during the normal workday by Bokum Resources Corporation personnel.

3. Facility Adequacy

The Marquez Mill is 96 percent complete and has never operated. All outside tanks are lined and water filled to protect the liner. The interior of the mill buildings were clean and installed equipment was in excellent condition. Conveyors were in good repair and the SAG and rod mill were unused and painted. Boilers, emergency power generator and water treatment systems were in place. In discussions with the mill manager, it was estimated that repairs to and completion of the mill for operations would take a year or more. The mill has a security force on duty 24 hours per day, 7 days per week. No "Caution, Radiation Material" signs were posed nor were they necessary, since the mill has never operated and no byproduct material has been deposited in the tailings areas. The inspectors found no evidence of use of source or byproduct materials. The site appeared to be totally free of contamination. Therefore, a survey for termination would not appear to be warranted for this facility.

SEP 7 1988

4. Exit Interview

The NRC inspectors met with the mill manager for a briefing on the findings. The inspectors summarized the purpose, scope and findings of the termination inspection.

Grace, Scott R.

INSPECTOR'S REPORT

Office of Inspection and Enforcement

REVIEWER

INSPECTORS

Rose, Howard D.

LICENSEE/VENDOR

Bokum Resources Corporation

TRANSACTION
TYPE

- ☒ I - INSERT
☐ M - MODIFY
☐ D - DELETE
☐ R - REPLACE

DOCKET NO. (8 digits) OR LICENSE
NO. (BY PRODUCT) (13 digits)

04008906

REPORT

NO.

SEQ.

MO.

YR.

88-001

A

termination
insp.

PERIOD OF INVESTIGATION/INSPECTION

FROM

TO

MO. DAY YR. MO. DAY YR.
06 28 88 06 28 88

INSPECTION PERFORMED BY

- ☒ 1 - REGIONAL OFFICE STAFF
☐ 2 - RESIDENT INSPECTOR
☐ 3 - PERFORMANCE APPRAISAL TEAM

OTHER

ORGANIZATION CODE OF REGION/HQ CONDUCT-
ING ACTIVITY (See IEMC 0530 "Manpower Report-
ing—Weekly Manpower Reporting" for code.)

REGION

DIVISION

BRANCH

4

4

2

REGIONAL ACTION
(Check one box only)

- ☐ 1 - NRC FORM 591
☒ 2 - REGIONAL OFFICE LETTER

TYPE OF ACTIVITY CONDUCTED (Check one box only)

- ☒ 02 - SAFETY
☐ 03 - INCIDENT
☐ 04 - ENFORCEMENT
☐ 05 - MGMT. AUDIT

- ☐ 06 - MGMT. VISIT
☐ 07 - SPECIAL
☐ 08 - VENDOR
☐ 09 - MAT. ACCT.

- ☐ 10 - PLANT SEC.
☐ 11 - INVENT. VER.
☐ 12 - SHIPMENT EXPORT
☐ 13 - IMPORT

- ☐ 14 - INQUIRY
☐ 15 - INVESTIGATION

INSPECTION/INVESTIGATION FINDINGS
(Check one box only)

A B C D

X

- ☐ 1 - CLEAR
☐ 2 - VIOLATION
☐ 3 - DEVIATION
☐ 4 - VIOLATION & DEVIATION

TOTAL NUMBER
OF VIOLATIONS AND
DEVIATIONSENFORCEMENT CONFERENCE
HELDREPORT CONTAIN 2790
INFORMATION

LETTER OF REPORT TRANSMITTAL DATE

NRC FORM 591
OR REG.
LETTER ISSUEDREPORT SENT
TO HQ. FOR
ACTION

MO. DAY YR.

MO. DAY YR.

44

48

50

55

MODULE INFORMATION

| REC. ORD | MODULE NUMBER INSP. | | | | PRIORITY | DIRECT INSPEC- TION EFFORT IN STAFF HOURS EXPENDED THIS INSPECTION | PERCENTAGE COMPLETED | TO DATE | STATUS | MODULE REQ. FOLLOWUP | | | |
|-------------|---------------------|--------|-------|-------------------|---------------------|--|-------------------------|---------|--------|----------------------|-------------------|---------------------|-------|
| | TYPE | NUMBER | PHASE | MANUAL CHAPTER | PROCEDURE NUMBER | LEVEL | | | | PHASE | MANUAL CHAPTER | PROCEDURE NUMBER | LEVEL |
| B | 1 | 5 | 3 | 0 | 7 | 0 | 3 | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |
| B | 1 | 5 | 8 | 8 | 0 | 0 | 5 | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |
| B | 1 | 5 | 8 | 8 | 0 | 2 | 0 | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |
| B | 1 | | | | | | | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |

* CIRCLE SEQUENCE IF
VIOLATION OR DEVIATION

MODULE INFORMATION

| REC. ORD | MODULE NUMBER INSP. | | | | PRIORITY | DIRECT INSPEC- TION EFFORT IN STAFF HOURS EXPENDED THIS INSPECTION | PERCENTAGE COMPLETED | TO DATE | STATUS | MODULE REQ. FOLLOWUP | | | |
|-------------|---------------------|--------|-------|-------------------|---------------------|--|-------------------------|---------|--------|----------------------|-------------------|---------------------|-------|
| | TYPE | NUMBER | PHASE | MANUAL CHAPTER | PROCEDURE NUMBER | LEVEL | | | | PHASE | MANUAL CHAPTER | PROCEDURE NUMBER | LEVEL |
| B | 1 | | | | | | | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |
| B | 1 | | | | | | | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |
| B | 1 | | | | | | | | A | | | | |
| | | | | | | | | | B | | | | |
| | | | | | | | | | C | | | | |
| | | | | | | | | | D | | | | |

SEP 7 1988

40-8906/HDR/88/08/31/INSP

DISTRIBUTION

c/o DMB (IE-07)
Docket File No. 40-8906
LFMB
DBangart, RIV
SGrace
HRose
HPettengill
GSanborn, RIV
JPerry, Info Systems
YElko, RIV
BGarcia, RCPD, NM
LLO Branch, LLWM
Suspense File
URFO r/f

CONCURRENCE:

HRose/URFO

SGrace/URFO

HPettengill/URFO

RDSmith/URFO

DATE:

9/7/88

9/7/88

9/7/88

9/7/88



STATE OF NEW MEXICO
Energy, Minerals and
Natural Resources Department

EXHIBIT IV

Mining and Minerals Division
2040 South Pacheco Street
Santa Fe, NM 87505
Telephone: (505) 827-5970
FAX No.: (505) 827-7195

MINE/MILL/SMELTER REGISTRATION

Name of Mine/Mill/Smelter: HARQUEZ MINE & HARQUEZ MILL
Name of Company: HARQUEZ DEVELOPMENT CORP. Telephone: (505) 247-9008
Address: P.O. BOX 13958 ALBUQUERQUE, N.M. 87192
Manager or Person in Charge and Title (please print): K.E. MC CORKLE, FACILITIES OPERATIONS MGR
Name of Previous Company (if applicable): _____
Location: County MC KINLEY 1/4-1/4 _____ Sec. 36 Township 13N Range 5W
Directions to Location if Unsurveyed: N/A
USGS Quadrangle Map Name: N/A
MSHA Number: 2901597 Start Up Date: _____

Please list all Standard Industrial Classification (SIC) codes for this operation: 1094
MINE TYPE: ☐ Surface ☐ Adit ☐ Heap Leach ☒ Shaft ☐ In Situ Leach
☒ MILL ☐ SMELTER ☐ Other (describe) _____
Minerals or Commodities Produced: THE MINE & MILL HAVE NEVER BEEN COMPLETED - NO URANIUM
Minerals or Commodities Processed: ORE HAS BEEN PRODUCED FROM THE MINE NOR PROCESSED AT THE MILL
Status: ☐ Active ☐ Intermittent ☒ Inactive ☐ Under Development
Capacity: (indicate cu.yds. or tons, and per day, month or year) NONE - MINE & MILL HAVE NEVER BEEN COMPLETED - NO ORE HAS BEEN PRODUCED NOR PROCESSED
Mineral Estate Owner: Name: HARQUEZ DEVELOPMENT CORP.
Address: P.O. BOX 13958 ALBUQUERQUE, N.M. 87192
Telephone: (505) 247-9008
Surface Estate Owner: Name: HARQUEZ DEVELOPMENT CORP.
Address: P.O. BOX 13958 ALBUQUERQUE, N.M. 87192
Telephone: (505) 247-9008

Mineral Estate Classification: (Please check)
☐ State ☐ Federal
☐ Indian ☒ Private

I hereby swear or affirm that the information herein provided is true, complete and correct, and that all information on this form may be released.

K.E. MC CORKLE
Signature
K.E. MC CORKLE
Name (please print)

Title: FACILITIES OPERATIONS MANAGER
Address: P.O. BOX 13958
ALBUQUERQUE, N.M. 87192
Date: 2-3-94



STATE OF NEW MEXICO
Energy, Minerals and
Natural Resources Department

Mining and Minerals Division
2040 South Pacheco Street
Santa Fe, NM 87505
Telephone: (505) 827-5970
FAX No.: (505) 827-7195

EXHIBIT IV

ANNUAL REPORT

OF

URANIUM MILLING OPERATION

10
MARQUEZ MINE & MILL
MARQUEZ DEVELOPMENT CO

An annual report is to be filed for each calendar year period from January 1 through December 31. Reports are to be received by the Mining and Minerals Division before February 15 of the following year. Please submit a separate form for each operation. Data in this report covers calendar year 1993

Name of Company: MARQUEZ DEVELOPMENT CORP.
Address: P.O. BOX 13958 ALBUQUERQUE, NM. 87192
Mill Name: MARQUEZ MILL MSHA Number: 2901597
Location: County SANDOVAL 1/4-1/4 _____ Sec. 30, 31 Township 13 N Range 4 W
Directions to Location if Unsurveyed: _____
Name of Person in Charge: K.E. MC CORKLE
Title: FACILITIES OPERATIONS MANAGER Telephone: (505) 247-9008
Address: P.O. BOX 13958
ALBUQUERQUE, N.M. 87192
Start Up Date: NONE -- THERE ARE NO PLANS TO START OR OPERATE THE MARQUEZ MILL

1. Was there a change in mill name, owner or operating company during the reporting year?
_____ Yes _____ X No If yes, give date of change: ____/____/____
(month/ day / year)

Nature of Change: _____

2. If a subsidiary of another company, provide the following information:

Name of Parent Company: LONG ISLAND LIGHTING CO.
Address: 175 EAST OLD COUNTRY ROAD, HICKSVILLE, N.Y. 11801

3. Type of Operation: Conventional X Insitu Leach _____

a. Insitu Leach Rated Production Capacity: Gallons/minute 0
Average Utilized Capacity: Gallons/minute 0
b. Conventional Mill Rated Capacity: Tons/day 2200
Average Utilized Capacity: Tons/day 0
c. Do you custom mill? Yes _____ No X
If yes, what quantity (Lbs.) of total recovery was custom milled? NONE
MILL DID NOT OPERATE IN 1993

4. Mine Employment Information

a. Average number of direct employees: 4
b. Number of days of operation: 260 - PREVENTIVE MAINTENANCE ONLY - MILL IS NOT OPERATING
c. Total yearly payroll: \$ 95K
d. Full time employees in reclamation (include in Total direct): 0
e. Average number of contract employees, haulers, etc. (do not include Total direct): 8 (CONTRACT SECURITY)

5. Description and Value of Improvements Made During Year

a. Power Plant NONE \$ 0
b. New Structure(s) NONE \$ 0

(over)

Form 10
(01/93)

c. Existing Structure(s) ✓ \$ 0
d. Equipment 0 \$ 0
e. Other (specify) ✓ \$ 0
TOTAL: \$ 0

6. Production, Recovery and Value During year

a. Annual Mill Feed:

-MILLFEED-
Ore received (ST) 0
Ore milled (ST) 0
Contained U_3O_8 (Lbs.) 0

b. Annual Recovery:

| | -RECOVERY- | -SALES VALUE- |
|---|------------|---------------|
| From ore (Lbs. U_3O_8) | <u>0</u> | <u>0</u> |
| From tailings (Lbs. U_3O_8) | <u>0</u> | <u>0</u> |
| From insitu leach (Lbs. U_3O_8) | <u>0</u> | <u>0</u> |
| From mine water recovery (Lbs. U_3O_8) | <u>0</u> | <u>0</u> |
| By-product recovery (Lbs. Mo, V) | <u>0</u> | <u>0</u> |
| Total Sales Value | \$ | <u>0</u> |

7. End of Year Summary (Events, expansion/improvement, closures, markets, issues, suggested State action)

THE MARQUEZ MINE AND MILL HAVE NEVER BEEN COMPLETED --
THUS THEY HAVE NEVER BEEN IN PRODUCTION. PREVENTIVE
MAINTENANCE ONLY IS BEING CONDUCTED AT BOTH FACILITIES

8. Voluntary Information: Voluntary responses to the following questions would be helpful to the Department. Any other additional information would be appreciated.

Delivery contracts:

a. Domestic Utilities

NONE

b. Foreign Utilities

NONE

I hereby swear or affirm that the information herein provided is true, complete and correct.

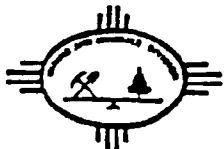
K.E. Mc Corkle
Signature

K.E. MC CORKLE
Name (please print)

Title: FACILITIES OPERATIONS MANAGER

Address: P.O. BOX 13958
ALBUQUERQUE, N.M. 87192

Date: 2-3-94



STATE OF NEW MEXICO
Energy, Minerals and
Natural Resources Department

Mining and Minerals Division
2040 South Pacheco Street
Santa Fe, NM 87505
Telephone: (505) 827-5970
FAX No.: (505) 827-7195

ANNUAL REPORT OF URANIUM MINING OPERATIONS

An annual report is to be filed for each calendar year period from January 1 through December 31. Reports are to be received by the Mining and Minerals Division before February 15 of the following year. Please submit a separate form for each operation. Data in this report covers calendar year 1993

Name of Company: HARQUEZ DEVELOPMENT CORP.
Address: P.O. BOX 14958 ALBUQUERQUE, N.M. 87192
Mine Name: HARQUEZ MINE MSHA Number: 2901597
Location: County MCKINLEY 1/4-1/4 Sec. 36 Township 13N Range 5W
Directions to Location if Unsurveyed: N/A
Name of Person in Charge: K.S. MC CORKLE
Title: FACILITIES OPERATIONS MANAGER Telephone: (505) 247-9008
Address: P.O. BOX 14958
ALBUQUERQUE, N.M. 87192

Start Up Date: NONE -- THERE ARE NO PLANS TO START OR OPERATE THE HARQUEZ MINE

1. Was there a change in mine name, owner or operating company during the reporting year?
☐ Yes ☒ No If yes, give date of change: / /
(month/ day / year)
Nature of Change:
2. If a subsidiary of another company, provide the following information:
Name of Parent Company: LONG ISLAND LIGHTING CO.
Address: 175 EAST OLD COUNTRY ROAD, HICKSVILLE, N.Y. 11801
3. Type of Operation: Underground Conventional ☒ Insitu Leach ☐
 Underground Water Recovery ☐ Surface Mine ☐
 Other ☐
4. Mine Employment Information
 - a. Average number of direct employees: Underground 0 Surface 4 Other 0 Total 4
 - b. Number of days of operation: 260- PREVENTIVE MAINTENANCE ONLY - MINE DID NOT OPERATE
 - c. Total yearly payroll: \$ 95K
 - d. Full time employees in reclamation (include in Total direct): 0
 - e. Average number of contract employees, haulers, etc. (do not include in Total direct): 0
5. Description and Value of Improvements Made During Year
 - a. Power Plant N \$ 0
 - b. New Structure(s) 0 \$ 0
 - c. Existing Structure(s) 0 \$ 0
 - d. Equipment 0 \$ 0
 - e. Other (specify) \$ 0

TOTAL: \$ 0

6. Percent Production by Mineral Estate Classification:

| | | | |
|---------|----------|--------------------------|----------|
| Federal | <u>0</u> | Private | <u>0</u> |
| State | <u>0</u> | Indian (Reservation) | <u>0</u> |
| | | Indian (Non-Reservation) | <u>0</u> |

7. Production, Recovery and Value During year

- a. Annual Production:
- | | |
|--|----------|
| Ore mined (ST) | <u>0</u> |
| Ore milled (ST) | <u>0</u> |
| FOB mine value (\$) | <u>0</u> |
| Contained U ₃ O ₈ (Lbs.) | <u>0</u> |
- b. End of Year Inventory:
- | | |
|---|----------|
| Ore on hand at beginning of reporting year (ST) | <u>0</u> |
| Ore on hand at close of reporting year (ST) | <u>0</u> |
- c. Depth of production (Ft): NO PRODUCTION -- MINE NOT YET COMPLETED
- d. Annual U₃O₈ recovery: (Lbs.)
- | | |
|---------------------------------|----------|
| From ore | <u>0</u> |
| From mine water(stope leaching) | <u>0</u> |
| By insitu leach | <u>0</u> |
- e. Net recovery credited to this mine (Lbs. U₃O₈) 0
- f. Unit value of recovered U₃O₈: (\$/Lb.) 0
- g. Total sales value: (\$/Lb.) 0
- h. Mine water production (de-watering): (GPD) 0
- i. Capacity: 0

8. Size of operation in acres: 30(EST) Acres Disturbed to Date 18(EST) Acres Reclaimed to Date 0
(EST = ESTIMATED ACRES)

9. End of Year Summary (Events, expansion/improvement, closures, markets, issues, suggested State action)

THE HARQUEZ MINE AND MILL HAVE NEVER BEEN COMPLETED --
THUS HAVE NEVER BEEN IN PRODUCTION. PREVENTIVE
MAINTENANCE ONLY IS BEING CONDUCTED AT BOTH FACILITIES

10. Voluntary Information: Voluntary responses to the following issues would be helpful to the Department.

- a. Sales to domestic utilities: NONE
- b. Sales to foreign utilities: NONE

I hereby swear or affirm that the information herein provided is true, complete and correct.

K.E. Mc Corkle
Signature

K.E. MC CORKLE
Name (please print)

Title: FACILITIES OPERATIONS MANAGER

Address: P.O. BOX 13958

ALBUQUERQUE, N.M. 87192

Date: 2-3-94

RECORD OF COMMUNICATION

9-7-94

Ken McCorkle

Marquez Mine and Mill

247-9008

Marquez Development Corp.

P.O. Box 13958

Albuquerque, NM 87192

I spoke with Ken McCorkle of the Marquez Mine. He called in response to the Site Assessment Overdue letter. I requested a formal letter from him stating why he does not feel he falls under the Act, the mine site referred to, the name, legal location, dates of operation, mineral explored for, and condition of the site. Also, I mailed him a copy of the rules and attachments that should have gone out with the original letter. In our conversation he said that the mine has not been worked since 1980. Currently, only equipment maintenance is being done. No Uranium is being extracted and, in fact, the shaft (190 ft) is flooded to hydrostatic. Also, the ~~shaft~~ shaft is still 130 ft from the ore zone, thus no extraction has ^{over} taken place.

q/q

Fernando,

This sounds like another exemption based on the definition of "existing". Let's wait for letter, then remove.

The #

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Marquez Development Corp.
PO Box 13958
Albuquerque, NM 87192**

4a. Article Number

Z 062 024 474

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☒ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

9/6

5. Signature (Addressee)

6. Signature (Agent)

J. E. McCordle

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

SECTION 1 MINE

MK017PR



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-6970

Jennifer A. Salisbury
CABINET SECRETARY

Kathleen A. Garland
DIVISION DIRECTOR

May 13, 1996

Mr. Tim Leftwich
Vice President - Environmental Quality
Santa Fe Pacific Gold Corporation
P.O. Box 27019
Albuquerque, NM 87110

Re: Prior Reclamation, Poison Canyon Mine, Santa Fe Pacific Gold Corporation

Dear Mr. Leftwich:

Thank you for your letter of April 25, 1996. Your cooperation in addressing the Poison Springs prior reclamation question is greatly appreciated.

You mentioned in your recent letter that you had assumed we had dropped the six sites mentioned in our February 13, 1996, from the list of sites requiring reclamation under Mining Act because of the marketable mineral clause found under the definition of "existing mining operation," in the Mining Act. This is correct, we determined that these sites did not meet the definition of an "existing mining operation." We were unable to find any record showing that these operations produced marketable minerals for a total of two years between January 1, 1970 and July 18, 1993.

Regarding the status of the Poison Springs site, this must be resolved through a variance or permit application. Pursuant to the New Mexico Mining Act (NMMA) Rules Subpart 510, Santa Fe Pacific Gold Corporation applied to the Mining and Minerals Division (MMD) for an inspection of prior reclamation of their Poison Canyon Mine. During the inspection, MMD personnel could not determine if Santa Fe Pacific Gold's reclamation was successful because the newly seeded vegetation had not had enough time to become established.

MMD is agreeable to granting a variance from the September 30, 1995 deadline addressed in NMMA Rule Subpart 510.B if a variance request is submitted and the requirements of public participation in NMMA Rules Subpart 9 are completed. If the variance is granted MMD will reinspect the reclamation of the Poison Canyon Mine at a time to be agreed upon by the operator and MMD. If then the Director determines that the reclamation measures at the Poison Canyon Mine are consistent with the requirements of the NMMA and Rules then, pursuant to NMMA Rules Subpart 510.B, the Director will release the owner or operator from further requirements of the Act and Rules.

Thank you for sending us the updated address for Reserve Oil and Minerals Corp. We will again attempt to contact Reserve Oil and Minerals Corp. regarding the Poison Springs site. However, until we can get some type of commitment from Reserve Oil we must continue to consider Santa Fe Pacific Gold responsible for the site.

We would be happy to meet with you concerning the status of the Poison Springs mine. I will have sometime during the afternoon of Mon. 5/20 to meet and the afternoon of Fri. 5/24. I will then be out of the office until June 5, 1996. It is very important we resolve this as soon possible because of the time frames set up in the NMMA Rules.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Shepherd', written over a horizontal line.

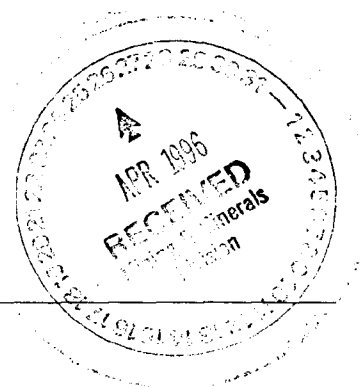
Holland Shepherd, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

HWS/RSY

cc: Kathleen Garland, Director, MMD



BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435



April 25, 1996

Mr. Holland Shepherd
Bureau Chief
Mining Act Reclamation Bureau
Mining & Minerals Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Poison Canyon Mine

Dear Mr. Shepherd:

I am in receipt of your letter advising Santa Fe Pacific Gold Corporation that the Poison Canyon Mine is the only site for which we previously sought prior reclamation approval where further work will be necessary pursuant to the New Mexico Mining Act. We hereby respond without waiving any of our previously reserved positions regarding the New Mexico Mining Act in relation to Santa Fe Pacific Gold Corporation and the sites for which we sought prior reclamation approvals.

Your letter asks whether we have a more current address than the Grants, New Mexico address in your records for Reserve Oil and Minerals, the former operator of the site. Our files reflect that the current address of Reserve is as follows:

Suite 380, 20 First Plaza
Albuquerque, New Mexico 87102

1-505/247-2384

Meanwhile, however, it would be helpful in evaluating our intentions concerning the Poison Canyon site if you would provide us with all information you have concerning the site, an assessment of what MMD believes still needs to be done, and your estimation of whether the site might be eligible for a variance or for permitting as a minimal impact site under the Mining Act.

Your letter also indicates that MMD has determined that certain sites which you previously advised were not eligible for a prior reclamation release are not, it turns out, within the definition of existing mining operations under the Act. Because Santa Fe Pacific Gold Corporation was not the operator of those sites, we have not attempted to evaluate production data to confirm your conclusions, which I assume are based on more than just our reservation of the legal position that the sites may

April 25, 1996

Page 2

not have produced in marketable quantities for a total of two years under the pertinent definition. Santa Fe Pacific Gold Corporation contends we do not meet the definition of operator under the Act, therefore we have no obligation to conduct further reclamation of the Poison Canyon site.

We respectfully request a meeting concerning the state of the Poison Canyon site and how this issue might be resolved. Thank you very much.

Very truly yours,



Tim Leftwich
Vice President -
Environmental Quality

c: P. M. James
G. R. Wagner
W. Jarke
S. R. Butzier



BOX 27019 ALBUQUERQUE NEW MEXICO 87125
6200 UPTOWN BLVD NE SUITE 400
ALBUQUERQUE NM 87110
TEL 505-880-5300 FAX 505-880-5435

November 21, 1995

NOV 29

Ms. Kathleen A. Garland, Director
Mining and Minerals Division
Post Office Box 6429
Santa Fe, New Mexico 87504-6429

Re: September 29, 1995 Letter and Inspection Report on Voluntary
Prior Reclamation Requests of Santa Fe Pacific Gold Corp.

Dear Ms. Garland:

Thank you for your letter dated September 29, 1995 reporting on the results of the prior reclamation inspection requests that Santa Fe Pacific Gold Corporation ("Santa Fe") submitted on August 31, 1994. You will recall that Santa Fe's submissions were voluntary. Santa Fe is not the operator or owner of the operations, despite the various references in the Inspection Report to Santa Fe as the operator, and despite the request for further action in your letter.

Although Santa Fe is not responsible, we nonetheless were surprised and disappointed to learn that only three of the reclaimed sites qualified for release in MMD's estimation. Santa Fe respectfully disagrees with the recommendations of the inspectors and the determination of MMD that the seven sites listed on the second page of your letter do not qualify for release under the prior reclamation provisions of the Mining Act.

The purpose of this letter, however, is not to discuss the specifics of that disagreement.

Rather, my purpose is to notify your office that Santa Fe does not itself intend to take any further steps in connection with obtaining variances or existing mine permits for the sites. Please refer to my August 31, 1994 letter accompanying the prior

reclamation submissions. Santa Fe submitted the applications in a spirit of cooperation to assist MMD with its initial tasks of identifying and narrowing down the potential operations that may need some level of regulatory involvement.

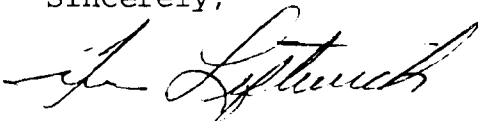
In extensive prior communications with MMD, Santa Fe and others have pointed out the clear statutory and long-established regulatory confirmation that landowners or passive royalty owners who had no operational control or ownership interest in the operations are not the parties with reclamation and permitting responsibilities. Santa Fe also explained its position that uranium operations are excluded from the Act's coverage during the development of regulations. We preserved all of Santa Fe's positions in my August 31, 1994 letter. I assume our analyses need no further explanation here, but if you have any questions or desire anything further from us in this regard, please advise.

Your September 29 letter mentions one reclaimed mining site that your staff was not able to locate on the ground. With respect to that site, I would suggest that you contact the operator, United Nuclear Corporation, to ascertain the exact location and extent of its operations.

I assume that MMD will promptly notify the responsible operators of the opportunity to obtain a variance and the possibility that a permit will be required, as outlined in your September 29 letter. Santa Fe notified MMD of who those operators are, and I note that they are referred to in the Inspection Report. Santa Fe is also willing to share any information we may have that would assist MMD with locating the operators, to the extent that they may still exist.

Please contact Paul Eby or Denise Gallegos of our office with any questions relating to locating an operator. Of course, if I can answer any questions, please call.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tim Leftwich', written in a cursive style.

Tim Leftwich
Vice President - Environmental Quality

cc: Paul Eby
Denise Gallegos

September 29, 1995

Mr. Tim J. Leftwich
 Santa Fe Pacific Gold Corporation
 Box 6200 Uptown Blvd. NE
 Suite 400
 Albuquerque, NM 87110

RE:
Prior Reclamation Inspections

Dear Mr. Leftwich:

The Mining and Minerals Division (MMD) has completed inspection of reclamation measures as requested by Santa Fe Pacific Gold Corporation.

Based on findings in the enclosed inspection reports, reclamation measures at the following mines satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. Santa Fe Pacific Gold, therefore, is hereby released from further requirements of the NMMA on the following mines:

Faith Mine (Section 29, T 13N R 9W)
 Section 13 (T 1N R 6W)
 Haystack Mine (Section 19, T 13N R10W)

Reclamation measures at the following mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. However, since Santa Fe Pacific Gold has completed most reclamation measures at the following mines, Santa Fe may apply for a variance from the provisions of the NMMA Rules pursuant to Rule 10. Otherwise, pursuant to NMMA Rule 5.10.B Santa Fe Pacific Gold must submit permit applications and closeout plans for existing mining operations within six months of receipt of this letter.

OFFICE OF THE SECRETARY - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5950
 ADMINISTRATIVE SERVICES DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5925
 ENERGY CONSERVATION AND MANAGEMENT DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5900
 FORESTRY AND RESOURCES CONSERVATION DIVISION - P. O. BOX 1948 - SANTA FE, NM 87504-1948 - (505) 827-5830
 MINING AND MINERALS DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5970
 OIL CONSERVATION DIVISION - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-7131
 PARK AND RECREATION DIVISION - P. O. BOX 1147 - SANTA FE, NM 87504-1147 - (505) 827-7465

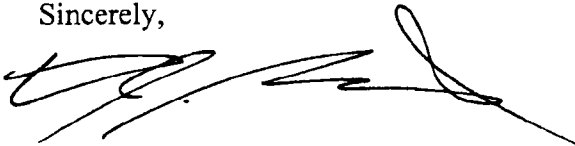
Isabella Mine (Section 7, T 13N R 9W)
Marquez Mine (Section 23, T13N R9W)
Poison Canyon Mine (Section 19, T 13N R 9W)
Section 1 (T 13N R 9W)
Section 31 (T 13N R 9W)
Section 25 Mine (Section 25, T 13N R 10W)
SW 1/4 Section 13 (T 13N R11W)

The location of the mine on Section (T 13N R 9W) was not adequately identified by Santa Fe Pacific Gold for inspection by MMD. The Mining and Minerals Division attempted to locate the site, but was unable to do so. Therefore, no inspection for prior reclamation was made. If reclamation measures have been performed, this site may also be addressed under a variance.

The enclosed prior reclamation inspection report details the findings of the inspection but does not include the photos/slides contained in the MMD file copy.

MMD appreciates your efforts to comply with the NMMA and commends you for your safeguarding and reclamation efforts. If you have any questions please contact Holland Shepherd of the Mining Act Bureau, (505) 827-5971.

Sincerely,



Kathleen A. Garland, Director
Mining and Minerals Division

cc: Ms. Maxine Goad, Environment Department
Mr. Sonny Marquez
S. Farthree and McKingen
S. Berryhill Ranch

Enclosures

**PRIOR RECLAMATION INSPECTION REPORT
AND
RECOMMENDATION FOR RELEASE OR PERMIT
REQUIREMENT**

Santa Fe Pacific Gold Corporation

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U., Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

September 29, 1995

Introduction

The purpose of this study was to determine if reclamation measures at 11 mines, for which Santa Fe Pacific Gold Corporation requested prior reclamation inspections, satisfy the requirements of the New Mexico Mining Act and substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules. The sites are tabulated in Table I. Figures 1 and 2 are maps showing the locations of the mine sites.

Santa Fe Pacific Gold Corporation (Santa Fe) is the owner of the mineral rights at all the mine sites mentioned above, with the possible exception of the mine on Section 17 T13N R9W. Santa Fe Pacific Gold was not the operator any of the sites, but has reclaimed the sites (Santa Fe, 1994) in an effort to remove any further liabilities relative to the New Mexico Mining Act. Neither is Santa Fe the surface owner of any of the sites. This has hindered reclamation activities because Santa Fe cannot restrict grazing by surface owners on reclaimed areas. The known surface owners are listed in Table I.

Table I
Santa Fe Pacific Gold Corporation Prior Reclamation Inspection Sites

| Name of Mine | Location of Mine | Operator | Surface Owner | Inspected |
|-----------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------------------|
| Unknown | SW1/4 Section 13 T13N R11W | Todilto Exploration | Cerrillos Land Company | Aug. 31, 1995 Young & Tierney |
| Unknown | Section 13 T1N R6W | M. P. Grace | Unknown | Sept. 21, 1995 Young & Shepherd |
| Unknown | Section 1 T13W R9W | Kerr-McGee | Sonny Marquez | Sept. 13, 1995 Young & Martinez |
| Unknown | Section 17 T13N R9W | United Nuclear Corp. | Unknown | Could not be located in field |
| Haystack | Section 19 T13N R10W | Todilto Exploration | S. Farthree and McKingen | Aug. 31, 1995 Young & Tierney |
| Section 25 Mine | Section 25 T13N R10W | Reserve Oil and Minerals | S. Berryhill Ranch | Aug. 31, 1995 Young & Tierney |
| Unknown | Section 31 T13N R9W | United Nuclear Corp. | Unknown | Aug. 31, 1995 Young & Tierney |
| Faith Mine | Section 29 T13N R9W | Ranchers Exploration | Unknown | Aug. 31, 1995 Young & Tierney |
| Isabella Mine | Section 7 T13N R9W | Ranchers Exploration | Unknown | Aug. 31, 1995 Young & Tierney |
| Marquez Mine | Section 23 T13N R9W | United Nuclear Corp. | Sonny Marquez | Aug. 31, 1995 Young & Tierney |
| Poison Canyon Mine | Section 19 T13N R9W | Reserve Oil and Minerals | Cerrillos Land Company | Aug. 31, 1995 Young & Tierney |

Inspection Procedures

On August 31, 1995 Santa Fe Pacific Gold escorted MMD personnel on a quick inspection of 8 of 11 sites for which Santa Fe submitted prior reclamation inspection requests. Ms. Denise Gallegos, Manager-Environmental Compliance and Audits, Mr. Paul Eby, Director-Field Operations, Mr. Lee Simpkins and Mr. Larry Taylor, Contractor, represented Santa Fe Pacific Gold Corporation. Mr. Robert Young, Environmental Engineer and Dr. Robyn Tierny, Reclamation Specialist represented the New Mexico Mining and Minerals Division. On September 12 Mr. Robert Young and Mr. Fernando Martinez, Reclamation Specialist revisited six of the above sites to take additional measurements. The site on Section 1 T13W R9W was inspected on September 13 by Mr. Robert Young and Mr. Fernando Martinez, Reclamation Specialist. Another site on Section 13 T1N R6W was inspected September 21, 1995 by Robert Young and Holland Shepherd, Mining Act Bureau Chief. Santa Fe Pacific Gold did not attend the inspections of the sites on

Sections 1 T13W R9W or Section 13 T1N R6W. Another site on Section 17 T13N R9W, for which a prior reclamation inspection was requested (Santa Fe, 1994), was searched for, but could not be found. Without an inspection of the site, no evaluation could be made regarding prior reclamation status.

Inspections of each mine site consisted of a review of information submitted by the mine operator, subsequent discussion with the operator pertaining to mining and reclamation at each site, inspection of the condition of the reclaimed mine sites, line-intercept sampling for estimates of vegetative cover, compilation of plant species lists, measurement of reclaimed soil depths, and photo-documentation. Each of the mine sites were visually inspected for erosion features and hydrologic stability. During a walkover of each site, all slopes, areas of water concentration (ponds, diversions and areas where disturbed areas enter undisturbed lands) were visually inspected for stability. Topsoil placement and distribution also was evaluated at each site. Sampling for topsoil depth consisted of randomly digging a series of holes to identify the depth of topsoil and the presence or absence of potentially toxic wasterock at rooting depth. Grading of all wasterock piles and borrow areas was visually inspected. Placement and closure of portals and vent shafts was verified in the field.

The establishment and relative percent cover of reseeded and native plant species were evaluated in randomly placed transects. Fifty foot transects were evaluated at each mine site using the line intercept method (Bonham 1989). These transects were used to estimate the relative percent cover of each plant species intercepted at 3' intervals along a transect. A total of 17 points per transect were recorded. In addition, a list of species present within a 50' X 6' belt transect adjacent to each transect was compiled. These sampling procedures, however, do not meet sample adequacy. Rather, these procedures were conducted to estimate the relative percent cover and to evaluate the diversity of species present at each of the eight mine sites. Additional resources would be needed to fully evaluate the vegetation of these prior reclamation sites to a level of sample adequacy and would require at least 24 additional man-hours of inspection time per site. Where it was obvious that sufficient vegetation existed on site, or insufficient vegetation existed, no transect evaluations were made. Photos were taken, in these situations, to document the vegetation cover.

Results and Discussion

SW1/4 Section 13 T13N R11W

This was a surface mine, located approximately 27 miles north west of the City of Grants, New Mexico. The mine is characterized by red Entrada Sandstone cliffs that tower above it. The uranium mineralization occurred in Todilto Limestone just below the Entrada Sandstone. A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health and safety. Photos documenting vegetation and the general condition of the site are in Appendix A. The site was reclaimed in 1994 and reseeded in the fall of 1994 by Santa Fe Pacific Gold (Eby, 1995). The regrading included, at the request of the surface owner, the construction of six depressions to impound rainwater for livestock (Eby, 1995). There were minor rills from water flowing into these depressions. Topsoil depths across the site averaged 6 inches.

Cattle, sheep, goats, and wildlife have heavily grazed the reclaimed portions of this site and the vegetation showed signs of drought stress. Line-intercept transects showed perennial cover to be approximately 12 percent (Tierney, 1995). The results of the vegetation measurements are presented in Table II. This site was evaluated as having an insufficient vegetation cover to qualify for release.

TABLE II
SW1/4 Section 13 T13N R11W Vegetation Measurements

| Visual | Transect |
|------------------------------|---------------------------|
| <i>Ambrosia dumosa</i> | BG |
| <i>Papaver</i> sp. | BG |
| <i>Oryzopsis hymenoides</i> | BG |
| <i>Cleome serrulata</i> | <i>Atriplex canescens</i> |
| <i>Atriplex canescens</i> | BG |
| <i>Gutierrezia sarothrae</i> | BG |
| | BG |
| | BG |
| | BG |
| | BG |
| | BG |
| | BG |
| | BG |
| | BG |
| | BG |

| | |
|--|-----------------------------|
| | BG |
| | <i>Oryzopsis hymenoides</i> |
| | Rock |

Average Perennial Cover = 12%

Rock Cover = 6%

Section 13 T1N R6W

This was a surface mine, located approximately 36 miles north west of the City of Magdalena, New Mexico. The site is within a mile of the Alamo Navajo Indian Reservation. Uranium bearing sandstone was contour-mined along an outcrop in the side of Jaralosa Creek Canyon. The operator, M.P. Grace, operated the mine under a lease from then Santa Fe Pacific Minerals Corporation. The lease was terminated in 1979 and the site was reclaimed in 1980 (Santa Fe, 1994). The total area of disturbance was about 2 acres.

While it was difficult to locate the mine site, there were several small waste piles. Natural vegetation had successfully reestablished itself such that the waste piles were nearly indistinguishable from the natural mounds and ridges along the canyon. The location of the mine was located by a red clay that had been uncovered in one pit and was out of place. There was moderate erosion, but the erosion was consistent with that of the surrounding area. A powder magazine, circa 1970's, was left as a mining relic. All other structures, trash and junk had been removed. There were no piles or accumulations of toxic or waste material. There were no apparent hazards that could effect public health or safety.

The site and surrounding area showed signs of grazing impacts. Plant diversity, however, was good with more than 21 native plant species identified on the site. It was very difficult to distinguish this site from the adjacent undisturbed areas, so no transect evaluation was deemed necessary. Photographs documenting vegetation and the general condition of the site are presented in Appendix B. Because of the quality of cover and diversity of plants found on the site, it qualifies for release.

Section 1 T13W R9W

This mine site is located on a shelf in a canyon wall about 50 feet above the canyon floor. The canyon was eroded into Dakota Sandstone. The mine had been operated by Kerr-McGee under a lease agreement with Santa Fe Pacific Gold and was safeguarded by Kerr-McGee upon termination of that agreement (Santa Fe, 1994). All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. A vertical shaft had been backfilled with nontoxic mine waste material.

Essentially, the site had been safeguarded but not topsoiled or reseeded. The site is characterized by white fine grained sandstone covered by a few inches of fine white sand. The sand is subsequently being eroded away by wind and water. A mine access road had significant erosion. An impoundment had been constructed to impound sediment from the mine site, however, erosion from the access road was bypassing the impoundment and was entering the mine site. Photographs documenting vegetation and the general condition of the site are presented in Appendix C.

Some native plant species from adjoining areas were invading the disturbance area. Line-intercept transects indicated vegetation cover to be approximately 29 percent (Young, 1995). Vegetation measurements are presented in Table III. Vegetation on this site is dominated by hairy goldenaster (*Heterotheca villosa*), an unpalatable increaser. Indian ricegrass (*Oryzopsis hymenoides*), was also found growing sparsely on the site. Given the sandy nature of these soils, stands of Indian ricegrass and sand dropseed (*Sporobolus cryptandrus*) should be more prevalent here. Because of the overall lack of diversity and the poor establishment of perennial grasses and forbs, this site does not qualify for release.

TABLE III
Section 1 T13W R9W Vegetation Measurements

| Visual | Transect #1 | Transect #2 |
|------------------------------|----------------------------|-----------------------------|
| <i>Gutierrezia sarothrae</i> | BG | <i>Heterotheca villosa</i> |
| <i>Atriplex canescens</i> | BG | BG |
| <i>Oryzopsis hymenoides</i> | BG | <i>Heterotheca villosa</i> |
| <i>Heterotheca villosa</i> | BG | <i>Oryzopsis hymenoides</i> |
| | BG | <i>Heterotheca villosa</i> |
| | BG | <i>Heterotheca villosa</i> |
| | BG | BG |
| | <i>Heterotheca villosa</i> | BG |
| | BG | <i>Oryzopsis hymenoides</i> |
| | BG | BG |
| | <i>Heterotheca villosa</i> | BG |
| | BG | <i>Heterotheca villosa</i> |
| | BG | Bedrock |
| | BG | Bedrock |
| | Rock | BG |
| | <i>Heterotheca villosa</i> | BG |
| | Rock | BG |

Average Vegetative Cover = 29%

Section 17 T13N R9W

This site was not shown to MMD staff by Santa Fe Pacific Gold personnel and could not be located in the field. Presumably, the site has been reclaimed (Santa Fe, 1994). However, without a formal inspection of this mine site, no evaluation could be made by MMD personnel regarding the mine's prior reclamation status.

This site cannot be released at this time.

Haystack Mine (Section 19 T13N R10W)

This mine was the original Paddy Martinez discovery. It was a surface mine located approximately 27 miles north west of Grants, New Mexico. The mine was operated under an agreement with Santa Fe Pacific Minerals Corporation. The uranium mineral was found in the Todilto Limestone. Santa Fe Pacific Gold began reclamation of this site in 1990 under an Environmental Protection Agency (EPA) action that concluded in 1991 (Santa Fe, 1994). At the time of this inspection, Santa Fe claimed to have a letter of release from the EPA (Gallegos, pers. comm.), and indicated that a copy would be sent to MMD. However, MMD never received this copy.

A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health or safety. There were no erosion features. Photographs documenting the vegetation and the general condition of the site are presented in Appendix E. Topsoil depths across the site ranged from four to six inches.

Grazing by domestic livestock and wildlife have had some impact on the vegetative cover of this reclaimed site. Most of the reclaimed area had been heavily grazed and showed signs of drought stress. Line-intercept transects showed perennial cover to be approximately 32 percent and litter cover 18 percent (Tierney, 1995). Vegetation measurements are presented in Table IV. Because of the perennial quality of plant cover and diversity on this site, staff recommends it for release.

TABLE IV
Haystack Mine Vegetation Measurements

| Visual | Transect #1 North side of | Transect #2 On Wasterock |
|--------------------------------|------------------------------|-----------------------------|
| <i>Atriplex canescens</i> | BG | BG |
| <i>Chrysothamnus nauseosus</i> | <i>Bouteloua gracillis</i> | <i>Bouteloua gracilis</i> |
| <i>Sporobolus cryptandrus</i> | <i>Bouteloua gracillis</i> | Litter |
| <i>Juniperus monspersma</i> | BG | <i>Atriplex canescens</i> |
| <i>Ambrosia dumosa</i> | <i>Bouteloua gracilis</i> | BG |
| <i>Kochia scoparium</i> | <i>Oryzopsis hymenoides</i> | <i>Oryzopsis hymenoides</i> |
| <i>Mirabilis</i> sp. | <i>Oryzopsis hymenoides</i> | BG |
| <i>Phlox</i> sp. | Litter | BG |
| <i>Mentzelia pungens</i> | <i>Salsola kali</i> | BG |
| <i>Salsola kali</i> | Litter | BG |
| <i>Bouteloua gracilis</i> | BG | BG |

| | | |
|-----------------------------|-----------------------------|-------------------------------|
| <i>Oryzopsis hymenoides</i> | BG | BG |
| | Litter | <i>Bouteloua gracilis</i> |
| | <i>Agropyron</i> sp. | <i>Sporobolus cryptandrus</i> |
| | <i>Oryzopsis hymenoides</i> | <i>Oryzopsis hymenoides</i> |
| | Litter | Litter |
| | Litter | Litter |

Average Perennial Cover = 32%

Litter Cover = 21%

Section 25 Mine

The Section 25 mine is located 14 miles northwest of Grants, New Mexico. This 8-acre site was a surface mine operated by Reserve Oil and Minerals. It was reclaimed and reseeded by Santa Fe Pacific Gold in 1993. Additional reclamation activities were performed in 1994. A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health and safety. There were several topsoil mounds left by Santa Fe because small mammals had extensively burrowed into them and were using them for habitat. Photographs documenting the vegetation and the general condition of the site are presented in Appendix F. The regrading included construction of three large depressions that impounded rainwater for livestock. There was one significant erosion feature and several areas of minor erosion on the sides of these depressions. Topsoil depths across the site were greater than 12 inches. An earthworm found while measuring soil depths at this site is a good sign that the soils are generally non-toxic.

Portions of the reclaimed vegetation have heavily grazed by wildlife and domestic livestock. However, native plant species were invading the area. Twenty-six native species of plants were identified. Line-intercept transects showed average perennial vegetation cover to be approximately 22 percent (Young, 1995). Vegetation measurements are presented in Table V. Despite the slight increase in the number of perennial species invading this site from adjacent areas, there was poor establishment of the perennial grasses, forbs, and shrubs on the slopes of the depressions and topsoil mounds. Because of the lack of adequate cover, this site does not qualify for release at this time.

TABLE V
Section 25 Mine Vegetation Measurements

| Visual | Transect #1 West Depression (Soil Depth +1') | Transect #2 Middle of Site (Soil Depth +1') | Transect #3 East Side of Site (Soil Depth +1') |
|-----------------------------|--|---|--|
| <i>Mirabilis multiflora</i> | BG | BG | <i>Oryzopsis hymenoides</i> |
| <i>Aster</i> sp. | <i>Erigeron</i> sp. | BG | BG |
| <i>Lepidium</i> sp. | BG | BG | Rock |
| <i>Cleome serrulata</i> | <i>Senecio longilobus</i> | BG | BG |

| | | | |
|--------------------------------|-----------------------------|--------------------------|-----------------------------|
| <i>Sphaeralcea incana</i> | BG | <i>Mentzelia</i> sp. | BG |
| <i>Senecio longilobus</i> | BG | BG | BG |
| <i>Chrysothamnus nauseosus</i> | <i>Oryzopsis hymenoides</i> | BG | Rock |
| <i>Sporobolus cryptandrus</i> | Litter | BG | BG |
| <i>Gutierrezia sarothrae</i> | Litter | BG | <i>Oryzopsis hymenoides</i> |
| <i>Boutelloua gracilis</i> | <i>Cleome serrulata</i> | BG | Rock |
| <i>Agropyron smithii</i> | <i>Oryzopsis hymenoides</i> | BG | BG |
| <i>Mentzelia decapetala</i> | <i>Oryzopsis hymenoides</i> | BG | BG |
| <i>Oryzopsis hymenoides</i> | BG | <i>Agropyron smithii</i> | BG |
| <i>Atriplex canescens</i> | BG | BG | BG |
| <i>Sparganium</i> sp. | <i>Cleome serrulata</i> | <i>Agropyron smithii</i> | BG |
| <i>Atriplex canescens</i> | BG | BG | Rock |
| Fleabane | BG | BG | BG |

Average Vegetative Cover = 22%

Section 31 T13N R9W

This was a surface mine located 14 miles northwest of the Grants, New Mexico. The mine was operated by United Nuclear Corporation until termination of the lease in 1975. Open adits and shafts were backfilled and otherwise safeguarded in 1987. The site was reclaimed and reseeded by Santa Fe the fall of 1994 (Santa Fe, 1994). All structures, trash or junk had been removed from the site however, trespass dumping has since taken place. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health or safety. There were minor erosion features where water had flowed into depressions. Twenty foot slopes of limestone cobble were left on the south side of the reclaimed area to blend in with a natural limestone outcropping. Several 6 foot high, 50 foot long topsoil stockpiles were left because small animals were burrowing into them and were using them for habitat. Photographs documenting vegetation and general condition of the site are presented in Appendix G.

There was evidence of grazing by livestock and wildlife on this site. Vegetation also showed signs of drought stress. Line-intercept transects showed vegetation cover to be approximately 12 percent (Young, 1995). The results of these vegetation measurements are presented in Table VI. Because of the lack of cover and diversity, staff does not recommend this site for release.

TABLE VI
Section 31 T13N R9W Vegetation Measurements

| Visual | Transect #1 | Transect #2 | Transect #3 |
|------------------------------|-------------------|-----------------------------|-----------------------------|
| <i>Mirabilis multiflora</i> | Rock | <i>Oryzopsis hymenoides</i> | BG |
| <i>Sphaeralcea incana</i> | Rock | Rock | BG |
| <i>Oryzopsis hymenoides</i> | BG | BG | BG |
| <i>Senecio longilobus</i> | Rock | BG | BG |
| <i>Ceratoides lanata</i> | Rock | BG | BG |
| <i>Salvia</i> sp. | Rock | BG | BG |
| <i>Gutierrezia sarothrae</i> | BG | BG | BG |
| <i>Atriplex canescens</i> | BG | BG | <i>Oryzopsis hymenoides</i> |
| <i>Lycium pallidum</i> | <i>Salvia</i> sp. | BG | BG |
| <i>Sporobolus airoides</i> | Rock | BG | BG |
| <i>Bouteloua gracilis</i> | Litter | BG | BG |
| <i>Mentzelia decapetala</i> | Rock | BG | BG |
| <i>Agropyron smithii</i> | Rock | BG | Rock |
| | Rock | <i>Oryzopsis hymenoides</i> | <i>Oryzopsis hymenoides</i> |
| | Rock | BG | <i>Oryzopsis hymenoides</i> |
| | Rock | Litter | BG |
| | Rock | BG | Rock |

Average Vegetative Cover = 12%

Faith Mine (Section 29 T13N R9W)

This underground mine was reclaimed in 1986 (Eby, 1995). Native vegetation from adjoining undisturbed lands had invaded the site and it was difficult to tell that a mine had previously existed on this site. Approximately one acre had recently been regraded and reclaimed, the only other indication of the mine presence was a revegetated mound where a vertical shaft had been backfilled with nontoxic mine waste material (Eby, 1995). All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. Similarly, there were no erosion features. Photographs documenting vegetation and general condition of the site are presented in Appendix H. Topsoil depths across the site ranged from 4 to 6 inches.

As with the other mines, the vegetation had been grazed by wildlife and domestic livestock. The vegetation also showed signs of drought stress. However, the adequate plant cover and diversity deemed it unnecessary to perform transect evaluations of the plant community. Staff recommends this site of release. The plant

community has been documented by photographs (See Appendix H).

Isabella Mine

This was a 2-acre site consisting of a head frame for underground mining. Ranchers Exploration conducted limited operations on this section under a lease from Santa Fe Pacific Minerals Corporation. The site was reclaimed in 1987, but is still accessed by a two-track road from the Old Wilcoxon Ranch. All structures, trash or junk had been removed from the site. The mine shaft had been backfilled with nontoxic mine waste material (Eby, 1995). There were no piles or accumulations of toxic or waste material on the site. There was one erosion feature, 200 feet south of the shaft site, which threatens to head cut across from an unnamed ephemeral tributary of Arroyo del Puerto running adjacent to the site. This head cut if left unchecked will eventually intercept the closed shaft. Mr. Paul Eby said that Santa Fe Pacific Gold would repair it. Photographs documenting the vegetation and the general condition of the site are presented in Appendix I. Topsoil depths across the site ranged from 4 to 6 inches.

Again, the mine site had been grazed by livestock and wildlife. Similarly, vegetation showed signs of drought stress. Line-intercept transects indicated that vegetation cover was approximately 15 percent (Young, 1995). Results of vegetation measurements are presented in Table VII. Because of the lack of plant cover, this site is not recommended for release.

TABLE VII
Isabella Mine Vegetation Measurements

| Visual | Transect #1 | Transect #2 |
|-----------------------------|------------------------|------------------------|
| <i>Oryzopsis hymenoides</i> | BG | BG |
| <i>Bouteloua gracilis</i> | Litter | BG |
| <i>Atriplex canescens</i> | BG | BG |
| <i>Juniperus</i> sp. | BG | BG |
| <i>Cleome serrulata</i> | <i>Kochia scoparia</i> | BG |
| <i>Agropyron smithii</i> | BG | BG |
| | BG | <i>Salsola iberica</i> |
| | BG | BG |
| | BG | BG |
| | BG | BG |
| | <i>Salsola iberica</i> | BG |
| | Litter | BG |
| | BG | <i>Salsola iberica</i> |
| | BG | <i>Kochia scoparia</i> |

| | | |
|--|----|----|
| | BG | BG |
| | BG | BG |
| | BG | BG |

Marquez Mine

This site is reached by a two-track road from a ranching complex known as the Marquez Old Home Place. It was the site of a decline shaft adit below a cliff outcropping of the Dakota Sandstone. United Nuclear leased the section from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled in 1987. The site is characterized by the sand dune appearance of a mine waste pile backfilling a declined shaft adit. The site lies within San Mateo Creek Canyon, however, and the high and constant winds move soils to form sand dunes. Further, San Mateo Creek is ephemeral at this location and windblown sand from the streambed forms dunes against the cliff face. All structures, trash or junk had been removed from the site with the exception of some pipe and lumber (left at the request (Eby, 1995) of the surface lessee, Sonny Marquez). There were no piles or accumulations of toxic or waste material on the site. Photographs documenting the vegetation and general condition of the site are presented in Appendix J. The decline shaft had been backfilled with nontoxic mine waste material. Regrading of the site also included construction of terraces to break up slopes.

Topsoil depths across the site were greater than 12 inches, but consisted entirely of windblown sand. This area was essentially barren with most of the seed and mulch blown away before vegetation could be established. Native species such as Indian ricegrass (*Oryzopsis hymenoides*), from adjoining areas were starting to invade the disturbance area (Young, 1995). Because of the obvious lack of plant cover at the site no transects were attempted. Staff does not recommend release of this site.

Poison Canyon Mine

This site is characterized by an abundance of sunflowers and locoweed. The locoweed is probably a selenium accumulator for which the canyon (also known as 'Sheep Kill Canyon') was named. Reserve Oil and Minerals operated the mine under a lease from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled and the mine reclaimed in 1987 upon termination of the lease. Additional reclamation of the site was conducted in 1993 and 1994 (Santa Fe, 1994). A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were a few erosion features including one that was significant. Photographs documenting vegetation and general condition of the site are presented in Appendix K. An inclined shaft portal had been backfilled with nontoxic mine waste material (Santa Fe, 1994). The regrading of this site included construction of mounds, berms, terraces and depressions that impounded rainwater for livestock.

Topsoil depths across the site were approximately 4 inches. Line-intercept transects indicated that perennial vegetative cover was approximately 31 percent. The results of these vegetation measurements are presented in Table VIII.

TABLE VIII
Poison Canyon Vegetation Measurements

| Visual | Transect #1 | Transect #2 | Transect #3 |
|------------------------------|-----------------------------|-----------------------------|--------------------------|
| <i>Agropyron</i> sp. | Rock | Rock | BG |
| <i>Aster bigolovii</i> | BG | BG | Rock |
| <i>Agropyron smithii</i> | <i>Helianthus</i> sp. | BG | <i>Helianthus</i> sp. |
| <i>Oxytropis lambertii</i> | <i>Helianthus</i> sp. | BG | BG |
| <i>Mentzelia decapetala</i> | Rock | BG | BG |
| <i>Gutierrezia sarothrae</i> | BG | <i>Atriplex canescens</i> | Rock |
| <i>Linum perenne lewisii</i> | BG | <i>Agropyron smithii</i> | Rock |
| <i>Cleome serrulata</i> | BG | Litter | <i>Helianthus</i> sp. |
| <i>Melilotus officinalis</i> | BG | <i>Atriplex canescens</i> | <i>Agropyron smithii</i> |
| <i>Sphaeralcea coccinea</i> | <i>Oryzopsis hymenoides</i> | <i>Salsola iberica</i> | BG |
| <i>Helianthus</i> sp. | BG | BG | BG |
| <i>Oryzopsis hymenoides</i> | BG | <i>Atriplex canescens</i> | BG |
| <i>Hordeum jubatum</i> | <i>Helianthus</i> sp. | <i>Kochia scoparia</i> | BG |
| <i>Senecio longilobus</i> | Rock | <i>Oryzopsis hymenoides</i> | BG |
| <i>Sphaeralcea incana</i> | Rock | BG | <i>Helianthus</i> sp. |
| <i>Atriplex canescens</i> | BG | BG | <i>Helianthus</i> sp. |
| | BG | Litter | BG |

Average Vegetative Cover = 27 %

Conclusions and Recommendations

Based on the inspection of the 11 mine sites, review of inspection information with Mining and Minerals Division staff and MMD's resources to conduct these inspections, it is recommended that:

the Haystack (Section 19 T13N R10W), Section 13 (T 1N R 6W) and Faith (Section 29 T13N R9W) Mines

be released from further requirements of the New Mexico Mining Act. The other mine sites:

SW1/4 of Section 13 (T 13N R11W), Section 1 (T 13W R 9W), Section 31 (T 13N R 9W), Section 7 (T13N R 9W, a.k.a. Isabella Mine), Section 23 (T 13N R 9W, a.k.a. Marquez Mine), Section 25 (T 13N R 10W), and Section 19 (T 13N R9W, a.k.a. Poison Canyon Mine)

staff has determined do not meet the environmental conditions that allow for the development of a 'self-sustaining ecosystem' as defined in Rule 1. and put forth in Rule 5.7A of the New Mexico Mining Act. Some of these site were reclaimed in July 1994, so present a situation where it is difficult to determine vegetation success. One season of growth in the areas under evaluation does not provide sufficient time to make this kind of a determination. The sites remain at a very early successional stage and contain mostly weedy species or no species.

However, based on oral communications with the operator, and on the inspected condition of these remaining reclaimed sites as documented by this inspection report, it is clear that the operator has made an effort to complete the required reclamation of these remaining sites. It is therefore recommended that the Director of MMD give a variance to Santa Fe Pacific Gold Corporation from meeting the deadline of September 30, 1995 for prior reclamation under the New Mexico Mining Act and Rules for: the SW1/4 of Section 13 (T 13N R11W), Section 1(T 13W R 9W), Section 31 (T 13N R 9W), Section 7 (T13N R 9W, a.k.a. Isabella Mine), Section 23 (T 13N R 9W, a.k.a. Marquez Mine), and Section 19 (T 13N R9W, a.k.a. Poison Canyon Mine) mine sites. This variance would stipulate that inspections will be conducted by MMD during the late summer of 1997 at each of these remaining sites to determine if the conditions necessary for development of a 'sustainable ecosystem' are then present on-site, and if any further actions including (but not limited to) reseeding or interseeding by the operator are necessary.

The Section 17 (T 13N R 9W) mine site was not adequately identified by Santa Fe Pacific Gold for inspection by MMD. The Mining and Minerals Division attempted to locate the site, but was unable to do so. Therefore, no inspection for prior reclamation status was made. This site could also be addressed under a variance.

References

- Bonham, C. D. 1989. Measurements for Terrestrial Vegetation. Wiley-Interscience. 338 pp.
- Eby, Paul G. 1995. Director-Field Operations, Santa Fe Pacific Gold Corporation, Personal Communication.
- Santa Fe (Santa Fe Pacific Gold Corporation) 1994. Prior Reclamation Request.
- Tierney, Dr. Robyn 1995. Reclamation Specialist, MMD, Field Notes.
- Young, Robert S. 1995. Environmental Engineer, MMD, Field Notes.

Appendix A

Photo Documentation
SW1/4 Section 13 T13N R11W
(no photo documentation)

Appendix B

Photo Documentation Section 13 T1N R6W